Government of Saskatchewan

Annual Report 1986-87

Saskatchewan Agriculture

Eighty-Second Annual Report for the twelve months ended, March 31, 1987

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Letters of Transmittal

Department of Agriculture

To His Honour,
The Honourable Frederick W. Johnson,
Lieutenant Governor of the Province of
Saskatchewan

Sir:

I have the honour to submit the annual report of Saskatchewan Agriculture for the twelve months ending March 31, 1987.

Respectfully submitted,

Honourable Grant Devine, Premier
Minister of Agriculture

Report of the Deputy Minister of Agriculture

Honourable Grant Devine, Premier
Minister of Agriculture

Sir:

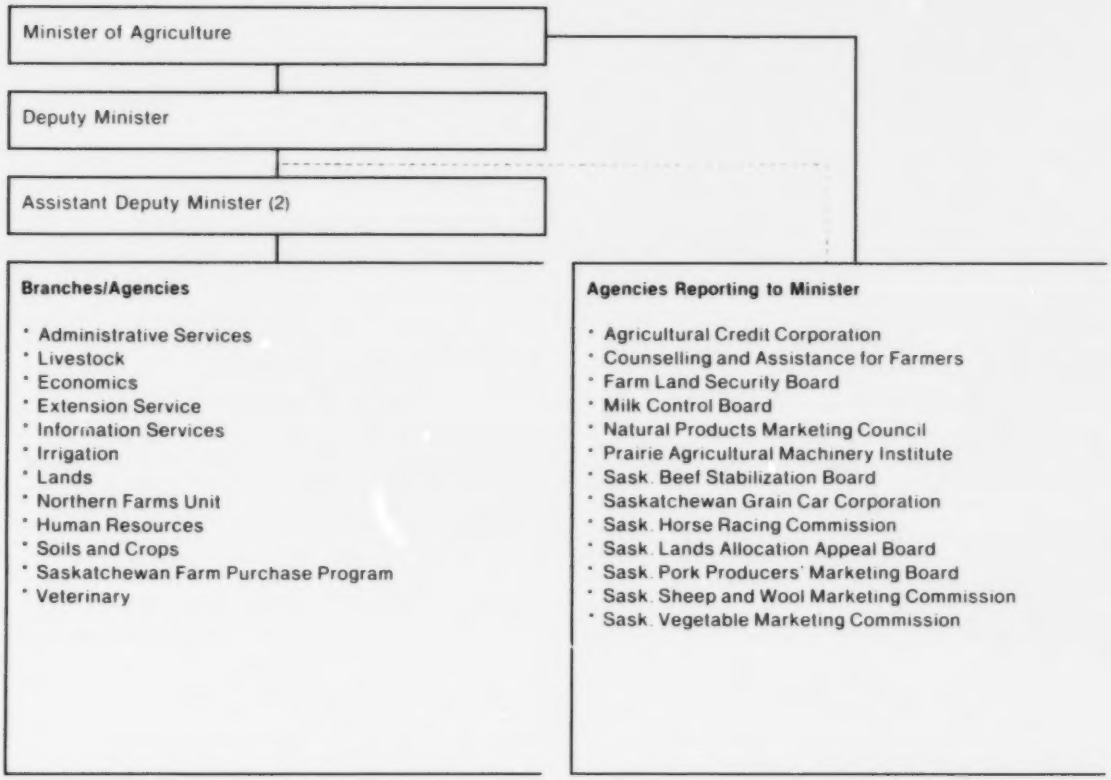
I wish to present to you the annual report of Saskatchewan Agriculture for the twelve months ending March 31, 1987.

Respectfully submitted,

Jack Drew,
Deputy Minister

Organization Chart (1986-87)

Saskatchewan Agriculture Organization Chart



Line Responsibility

Functional Relationship

Administrative Services Branch

Administrative Services Branch provides department support services in budgeting, accounting, space and accommodation, equipment and supplies, mail services, vehicle management, computer management, legislation and administrative analysis.

I. Financial Services Section

Accounting services were provided for the processing of all department payment invoices and revenue depositing and recording.

Approximately 15,000 expenditure vouchers were prepared, made up of some 150,000 individual payment documents. The total amount of Consolidated Fund payments vouchered was $229.7 million, the Agricultural Division of the Heritage Fund $50.6 million, the Agriculture Development Fund $19.9 million, the two revolving funds $2.1 million and other loans and advances $13 million.

The pre-audit of all expenditure documents was maintained providing the department with an efficient performance level.

Following documented payment processing procedures enabled the department to process 90 per cent of all expenditure documents within the deadlines set by Saskatchewan Finance.

Revenues totaling $36.3 million were deposited and recorded in the 1986-87 fiscal year. This revenue was made up of $13.7 million for the Consolidated Fund, $19.9 million for the Agricultural Division of the Heritage Fund and $2.7 million for the two revolving funds.

Co-ordination was provided for the preparation of the department's revenue budget and liaison was maintained with the Taxation and Economic Policy Division of the Department of Finance.

The financial management responsibilities of the Agricultural Supplies Revolving Fund and the Conservation and Development Revolving Fund were maintained in the Financial Services Section.

Administrative assistance, including accounting duties and record maintenance as well as financial statement preparation, was provided for the Horned Cattle Fund, the Cattle Marketing Deduction Fund and the Saskatchewan Grain Car Corporation.

Accounting records were maintained for Treasury Advances, Accountable Advances and for the Treasury Suspense Account.

Assistance was provided for the development of financial systems for new programs and policies related to the Counselling and Assistance for Farmers Program, the Department of Agriculture's accounts receivable system and the Farming To Win program. The section informed and advised program managers about directives, new procedures and policies that were issued by other government departments and agencies with regard to government accounting policies.

Department of Agriculture year-end financial statements were prepared and the consolidation of departmental information into financial management reports such as public accounts and out-of- province travel was carried out.

Liaison was maintained with the Systems Management Division of the Department of Finance in order that Revenue and Expenditure System modifications met the needs of the department.

Liaison with the Provincial Auditor's office was maintained by providing all necessary financial data for audit purposes. Co-ordination of replies to management letters was also undertaken.

Liaison was maintained with the internal audit division of the Comptroller's Office to ensure that financial procedural requirements were met in order to process departmental payments on a timely basis.

All department expenditure and revenue forecasts were prepared as required. Forecasts were used to ensure all funding requirements of the department were met through timely virements and/or special warrant requests.

The section monitored all departmental accounts receivable to ensure departmental collection guidelines were followed in order to minimize write-offs. Quarterly Aged Account Receivable Reports were also prepared.

Liaison with the Agricultural Development Corporation was maintained in order to ensure all department requirements were met in accordance with the VADA Agreement.

The section monitored all departmental cost-sharing programs such as Special ARDA, 4-H Program, Saskatchewan Indian Agricultural Program and the R.O.P. Milk Program to ensure all claims were prepared and revenues were collected.

The section assisted in the preparation of Treasury Board requests and Orders-in-Council that affected department financial items.

II. Office Services Section

Services were provided for co-ordination and allocation of department space and accommodation. The Department of Supply and Services provided the department with new space in Leader and Fort Qu'Appelle.

Co-ordination was provided for department budget preparation and acquisition of equipment, stationery and office supplies. The internal mail pickup and delivery to all branches in the Walter Scott Building was continued. The section also co-ordinated the department's central vehicle agency fleet and photocopying equipment.

The section was actively involved in the co-ordination of space, furniture and installation of the Saskatchewan Agriculture Information Delivery System equipment.

The section continued to maintain the computerized fixed asset control system which replaced the manual recording of the department fixed asset transactions.

Staff worked closely with the financial management system project staff and Treasury Board division staff in Saskatchewan Finance to co-ordinate the department budget preparation and review process using the automated budget preparation system.

III. Systems Services Section

The department continued to increase the efficiency and effectiveness of program delivery through the use of computer technology. Systems services section co-ordinated the design, development and/or operation of 43 computer-based systems within the department. The co-ordination role involved administering the rationalization, acquisition and utilization of systems resources such as analyst support, computer equipment and related services.

Several significant initiatives were undertaken during 1986/87 involving the following systems or projects:

1. Data Entry Unit

The Data Entry Unit provided key entry services to 18 computer systems. Remote job entry services, which involve the electronic transmission and receiving of processed records from mainframe computers, were provided to 19 systems.

The remote job entry support was increased to accommodate the relocation of the SaskComp Service Centre.

A review of the unit's hardware requirements was completed which resulted in the introduction of short-term improvements within a plan to make significant long-range enhancements.

2. Saskatchewan Agriculture Information Delivery System (SAIDS)

The department continued the expansion of the SAIDS office automation system which is centered around integrated word processing and microcomputer products.

The systems services section assumed overall responsibility for the development and operation of the SAIDS in the areas of rationalization, project management, hardware and software management, networking, security, training and hot-line support, quality assurance, physical and functional expansion and maintenance.

Increased emphasis was placed on operational support during 1986/87 including the following initiatives:

- the installation of equipment to enhance program activities in the Farm Land Security Board, Extension Service (Kamsack and Saskatoon), Communications Branch, Agricultural Credit Corporation and Irrigation Branch

- introduction and administration of a departmental software management policy designed to facilitate the acquisition and utilization of computer software

- reconfiguration of the local area networks in regional offices to optimize system operations

- expansion of technical service resources to enhance planning and operational support

- standardization of communication components to facilitate electronic communications

- enhancement of in-house training services through self-paced and individual instruction

- introduction of operating system upgrades to extend improved processing capabilities

- development of an expansion plan to assure the orderly growth of the system in satisfying future requirements

- continuation of existing user committees and groups and establishment of a field office advisory committee to facilitate systems management and operations.

3. Crown Land Management System

The major portion of system development and data conversion was completed. This initiative is designed to streamline the management of Crown lands administered by the Lands Branch.

The project management and development of this system was assigned under contract to private sources.

4. On-line Terminal System

The on-line terminal system acquired for the Crown Land Management System was expanded to accommodate operational growth.

The system was also extended to provide support to the Financial Management System, the Farm Purchase Program and the Human Resource Management System.

5. Miscellaneous

The section participated in several other initiatives during 1986/87 including:

- the preparation of a request for proposal for management consulting for the Agriculture Credit Corporation system

- the establishment of an information system pilot project in conjunction with SaskComp and SaskTel

- the implementation of the payroll component of the Human Resource Management System

- the rationalization of equipment for the Agriculture Development Fund program

- the administration of security management for all applications processed on SaskComp facilities.

IV. Grant Administration Section

Administrative Services managed grant programs included in the assistance to general agricultural interests allocation for the department.

1. Grants of $1,760 were provided to the Agricultural Societies Association and the Horticultural Societies Association to assist in their operating costs.

An additional $1,340 was paid to the Agricultural Societies Association to provide for travel expenses incurred during their amalgamation process with the Saskatchewan Association of Fairs and Exhibitions.

The grant program for exhibition associations and agricultural and horticultural societies provided for reimbursement of up to 50 per cent of the operating costs incurred by these organizations to a maximum of $5,000 for Class C fairs, $10,000 for Class B fairs and $1,000 for horticultural societies. Grants paid in 1986-87 totalled $369,507 compared to $351,133 in 1985-86.

Close liaison was maintained with the Extension Division, University of Saskatchewan, with respect to the processing of grant payments and the evaluation of the policies. The director of Administrative Services Branch represented the department on the Saskatchewan Agricultural Societies Association Board of Directors.

2. The Saskatchewan Horse Racing Commission was provided with a $1,694,516 grant to cover administration costs and to provide all horse race meet sponsors with pari-mutual tax rebates.

V. Northern Farms Unit

Under the northern farm programs, Saskatchewan Agriculture operated four farms in northern Saskatchewan. They are Central and Silver Lake Farms in the Green Lake area and the Ile a la Crosse and Cumberland House Farms. The farms are operated through a revolving fund utilizing a program manager, assistant manager and one accounting staff in Regina head office, with each farm having an on-farm manager. The farms serve to demonstrate agricultural potential in the north and to provide employment in local communities.

The farms operate a total of 27,575 acres of cultivation, perennial forage and native grazing. All produce of the farms is utilized in the livestock operations. In 1986-87 the farms wintered a breeding herd totalling 2,400 cows. Central Farm also operate a 120-sow farrow-to-finish hog operation. Peak seasonal on-farm employment totalled 33 employees.

VI. Agricultural and Horticultural Societies

1. Agricultural Societies' Activities

Summer or fall fairs continued to be the most popular activities sponsored by agricultural societies. Other sponsored events included field days, short courses, seminars, clinics, workshops and lectures, beef and swine shows and sales, horse shows and exhibitor schools.

Agricultural Societies continued to support the 4-H program in a variety of ways, such as awarding scholarships, sponsoring regional livestock shows and sales, providing facilities for shows and other social activities, providing prize money for classes at summer fairs and offering adult leadership.

A special project of the Regina Exhibition Association has been the "Saskatchewan Provincial Showcase of Champions", which is designed to enhance livestock and creative art competition at the local Saskatchewan fairs level, and to give major livestock breeders an opportunity to see the best in Saskatchewan all within one competition.

It is apparent that the "Showcase" is achieving its purpose as the interest and number of entries has increased considerably since the first show. Thirty-nine agricultural societies and exhibition associations competed in the 1986 "Showcase".

2. Saskatchewan Agricultural Societies Association

The association is a voluntary organization of individual agricultural societies that help member societies to improve their programs.

One day regional meetings were organized by the association. These meetings provided society

members with an opportunity to get together to exchange ideas and discuss matters of mutual interest and concern.

The regional meetings also helped to maintain a strong bond between the local agricultural societies and the provincial association.

The 77th annual meeting was held in January during Farm and Home Week at the University of Saskatchewan. Approval was received at the annual meeting for the amalgamation of the Saskatchewan Agricultural Societies Association and the Saskatchewan Association of Fairs and Exhibitions.

3. Horticultural Societies' Activities

Horticultural Societies promote the enhancement of grounds and gardens through educational events, competitions and by doing volunteer horticultural work in their communities.

Saskatchewan Agriculture supports horticultural activities at the local and provincial level. During this fiscal year, the department paid out $28,168 in grants to horticultural societies. An additional $1,760 grant was paid to the Saskatchewan Horticultural Association.

Thirty-seven societies were active in 1986-87. The projects undertaken in addition to the regular horticultural shows included lectures, tours, demonstrations, competitions, community flower, shrub and tree planting and judge's school.

Fall horticultural shows and the sponsorship of educational events such as courses and workshops on horticultural husbandry continued to be the most popular activities of societies.

Horticultural societies provide information on new developments in cultural practices in fruit, vegetable, flower, shrub and tree production. Several societies and their members provide instruction for horticultural classes sponsored by community colleges. Other societies provide information to the public by press, radio, television, special speakers at seminars, courses, workshops, demonstrations and planned tours. These educational activities are most significant in the dissemination of information on horticulture.

During 1986-87 the Saskatchewan Horticultural Association undertook a variety of projects and continued support of the Ornamentals Demonstration Plots at the Experimental Farm in Indian Head.

The 1986 Provincial Show was held in Carrot River in August attracting over 1,000 entries and the Annual Convention was held in Regina. Exhibitor's schools were conducted during the Provincial Show in various subjects. The convention included the annual meeting and many lectures and demonstrations.

Communications Branch

The objective of the Communications Branch is to disseminate information relating to programs, policies and services provided by Saskatchewan Agriculture to its various publics through a variety of methods.

In May of 1986, the branch changed its name from Information Services to Communications; however, branch functions and responsibilities remained as before.

The branch is responsible for providing the many "farm publics" with (a) an understanding of various programs, policies, and services of the department, (b) technical information about all aspects of farming to enhance agricultural production, and (c) an understanding of the government's commitment to the family farm and its intention to continue in a leadership role in Canadian agricultural deliberations.

The branch assists and/or coordinates information dissemination on behalf of the minister and the department regarding the above responsibilities.

The operations of the Communications Branch are grouped into the following sections:

I. Agricultural Library

The library opened its first official branch in 1986-87: the Veterinary Branch library. As well as committing funds and staff support for the purchase and cataloguing of books and periodicals, the main library increased reference services to the veterinarians.

Automation of library records became a reality with the purchase of the Sydney Library System. The librarian initiated with the SaskComp Corporation a project to look into the feasibility of a provincial library database.

The library staff provided more than 39,000 pieces of information to patrons through interlibrary loans, circulation, reference, routing of periodicals, online literature searches and photocopies. The news monitoring service remained part of the services offered for the department. The library technician processed 1,930 items for addition to the collection. She also prepared seven issues of Information Notes.

II. Publication Distribution Centre

The publications distribution centre received 1,250 orders for department publications and distributed 318,000 copies to members of the public and staff. In addition, a commercial distributor sent 400,000 copies of new or revised titles to district offices.

The inventory and ordering functions were automated in the summer of 1986 to monitor the activities of the centre and to develop a profile of clients. The staff also undertook to revise the Communications Branch mailing lists and develop procedures and standards for future input.

The Publications Committee, organized in 1985 to study and recommend policies and procedures necessary for the production and distribution of publications, reviewed the department's policy on metric and imperial units in publications, surveyed district staff members on their requirements for publications, and proposed guidelines for the production of publications. Members of the committee also interviewed regional specialists and agricultural representatives on their perception of the quality of the department's publications and farmers' needs for the information provided. These interviews were conducted as part of the Communications Branch analysis and evaluation of printed materials prepared by the department for public consumption.

III. Audio Visual Section

The audio visual section houses and distributes all audio visual equipment and materials for use within the department. It also provides user assistance on all aspects of audio visual production within the department.

The following film and video projects were completed in 1986-87.

- Three-part irrigation series: Plan to Pump, When to Turn Off the Tap and Know Your Soil.

- Lentil Harvesting

- Farming to Win

One new project was started on video, titled "Legume Inoculation."

Other films still in production are:

- Compressed Natural Gas (both a film and video version)

- Soil Conservation

Approximately 1,250 computer-generated graphics were produced for use in slide or overhead presentations.

An estimated 960 AV equipment bookings were made based on an average monthly total of 80 bookings.

Two hundred new slides were entered into the department's subject slide library.

IV. Media Relations Section

The media relations section coordinates the preparation and distribution of information to various publics on government agriculture programs, policies and services.

Various projects were undertaken to create greater agricultural awareness among urban and rural audiences, centering on the importance of agriculture to Saskatchewan's economy.

A major media campaign, in conjunction with Agriculture Canada and other prairie province departments of agriculture, was conducted in the spring of 1987 for National Soil Conservation Week.

The coordination of effort by the provincial Farm Land Security Board and the federal Farm Debt Review Board in Saskatchewan was assisted with the production of a brochure outlining the jurisdictions of both bodies.

Brochures outlining two new programs, the Livestock Investment Tax Credit and the Livestock Facilities Tax Credit, were produced.

Preparatory work was completed with Cartel Electronics of Moose Jaw, who are conducting a pilot project of information-providing computers in various locations throughout the province. The machines will carry information about Department of Agriculture programs, services and policies.

An update of the brochure "Saskatchewan Agriculture Assistance Programs" was prepared and distributed.

The department's newsletter to Saskatchewan farmers, **AgNews**, was produced monthly and distributed to all rural households in the province.

V. Print Section

The print section coordinates the production and bulk distribution of all department publications, brochures, fact sheets, newsletters, annual reports and posters. Seventy-four publications and numerous miscellaneous printing jobs were processed and bulk-distributed. Records of requisition numbers, ISBN and ISSN numbers, numbers printed and numbers bulk-distributed, costs and printers were input into the computer.

The print section coordinated the design and production of ADF and ERDA signs for the department.

Continual studies were conducted throughout the year to ensure efficient and effective use of all department publications.

Counselling and Assistance for Farmers Program

The Counselling and Assistance for Farmers Program provides counselling and operating and/or consolidation loan guarantees to eligible farmers who have been declined operating loans from their primary lending institutions.

In 1986-87, 1,095 farmers applied under the program and received counselling by farmer panels with proven production and financial management abilities. The counselling includes suggesting farm operating changes which would enhance the viability of a farm. For those operations which have the potential of being viable, the panels recommend that operating and/or consolidation loan guarantees be offered to the designated lender.

In 1986-87, lenders accepted 595 operating loan and consolidation loan guarantees totalling $42,110,000. The average guarantee was $70,770. Where applicable, the 1985 loan guarantees were extended for the 1986-87 year.

Economics Branch

The Economics Branch aims to improve the economic environment facing Saskatchewan farmers and to assist them in making effective decisions within that environment.

The branch works with producer groups, marketing agencies, department branches and agencies and other government departments in initiating, developing, implementing and evaluating activities and programs in areas of marketing, trade, farm finance, farm income, production economics and farm business management to assist the agricultural industry to achieve its earning potential. Improving the competitive position of Saskatchewan agriculture products in national and international markets is of parallel importance.

The branch is organized into the following sections: Agriculture Development Fund; Farm Management; Market Analysis; Research; Statistics; Livestock Tax Credits; and Planning.

I. Agriculture Development Fund Section

The Agriculture Development Fund Section of Saskatchewan Agriculture was initiated in the spring of 1985 to enhance research, development and demonstration projects.

The five-year, $200 million commitment will assist the province in developing new practices and technology to help farmers remain competitive on the international market.

The section is composed of the Saskatchewan Agricultural Research Fund (SARF), the Agriculture Development fund (ADF), and the Economic and Regional Development Agreement (ERDA), a sub-agreement with the federal government on agricultural research. The key function of the section is to contract out individual research, development and demonstration projects to Saskatchewan researchers and innovators.

During 1986-87, the Agriculture Development Fund Section supported 203 research and development projects and 119 demonstration projects. In addition, the section provided funding to the POS (Protein, Oil and Starch) Pilot Plant, the Veterinary Infectious Disease Organization (VIDO), the Saskatchewan Water Corporation, and the construction of the new College of Agriculture Building at the University of Saskatchewan.

A communication strategy to relay the results of research, development and demonstration projects to the farming community was also established. The section hired a communications officer to compile a monthly newsletter and an annual progress report, and to develop other means of transferring the new technology to farmers.

Through the Agriculture Development Fund Section the Government of Saskatchewan has made a long-term commitment to farmers and the rural communities in the province.

II. Farm Management Section

The primary role of the farm management section is to develop, organize and provide farm management information and advice to extension workers, course instructors, other farm advisors and farmers. This section is also responsible for advising policy makers on matters pertaining to economics and farm management and for providing economic analysis in the area of alternative production and techniques.

A total of 48 major publications were maintained and provided to users during 1986-87. The following publications received major rewrites during the year:

Specialty Crops Brochures (4)
Cash Lease Agreement
Flexible Cash Lease Agreement
Crop Share Lease Agreement
Estate Planning for Farm Families
Farm Machinery Custom and Rental Rates
Farm Management Calendar
Insurance Management for Farmers
Land Rental Agreements
Managing Your Income Tax Plan
Law for Saskatchewan Farm Families

New publications for 1986-87 were as follows:

Maximum Economic Yield
General Use Computer Software
Cost of Production 1987 - Top Management
Potential of Chaff

During 1986-87 the Farm Business Analysis Program was offered on a volunteer basis. Reports were provided for the few farmers who forwarded their financial information. This program was replaced by the Top Management Program put on jointly by the Farm Management Section and the University of Saskatchewan. Participation in the Top Management Program included 108 farmers. A publication showing the averages for the cost of production for specific crops was produced using the information gathered in this program.

A program was started to update and revise the Saskatchewan Farm Business Management Data manual. Several items have been revised with the total revision of the manual to be completed in the 1987-88 year.

Sections of the Financial Management Home Study Course were revised and reprinted for the winter of 1986-87. The course was offered through the agricultural representatives. Approximately 100 new

participants registered for the homestudy course with many of the existing participants requesting the remaining modules from 1985-86.

Staff were responsible for the co-ordination of the development of a home study course on computers. The course material will be complete and available in the fall of 1987.

A major program titled "Farming to Win" was started in the fall of 1986. Staff played a lead role in developing training materials, computer program, course content and instructor and student manuals, in hiring staff and in organizing training sessions for staff and agricultural representatives.

Approximately 500 farm couples participated in this program.

Staff members provided analysis of several policy and program issues during the year, including equity financing, income tax changes and fluid milk pricing.

The section members provided administrative and field co-ordinating services for the Saskatchewan Livestock Drought Assistance program that was started in 1985 and is now complete. In addition to this program, a lead role in the development and promotion of a Saskatchewan Information Computer Data system and electronic mail was provided by staff.

The Saskatchewan Information Service was developed in co-operation with SaskCOMP and provides computerized information through SaskTel's Agritex system. It will include a wide range of topics such as government programs, herbicide planning and farm input prices.

III. Market Analysis Section

The market analysis section has five major responsibilities:

- provide economic analysis of marketing related problems in agriculture and analyse current market trends and short and long term outlooks for crops and livestock

- provide analysis of and make short and long term projections of farm incomes

- provide analysis of trade issues and provide options to enhance the trade of agricultural products

- assist in the development and administration of market insurance plans for producers

- provide economic analysis of agricultural issues that impact on producers, agribusiness and others in the agricultural sector.

The section provides various types of information on market outlook including market notes, newspaper columns and the annual Crop Prospects Conference.

The section provides the centrai administration for the operation of three provincial market insurance (stabilization) programs:

- The Saskatchewan Hog Assured Returns Program has been operating since 1976. Over 80 per cent of the hogs produced in the province are in the program. SHARP is being phased out over the next five years as the province joins the national tripartite stabilization plan for hogs.

- The cow-calf-to-finish market insurance plan has been operating since 1982. Approximately 3,000 production units participate in the plan.

- The feeder-to-finish market insurance plan has been operating since 1983. Approximately 950 production units participate in the plan.

Over 60 per cent of the finished beef produced in Saskatchewan is enrolled in the two market insurance plans.

The section also provides the central administration for the hog and sheep national tripartite stabilization plans. The agreements for these commodities were signed in January 1986 and have become fully operational during the year.

IV. Research Section

The research section provides economic research, program development and program administration services. The section also provides support staff for program review and special projects.

The section is responsible for the administration of several ongoing programs. Staff is provided to the Natural Products Marketing Council, the supervisory body for marketing boards and commissions established under The Natural Products Marketing Act. The Feeder Association Loan Guarantee Program, which provides government guaranteed loans to feeder associations, was also administered by the section.

The research section provided support staff on the following projects in 1986-87:

- development of options for farm financing
- Federal-Provincial Committee on Farm Finance
- extension of legislation (Farm Land Security Act and Counselling and Assistance for Farmers Act)
- Cabinet Committee on Farm Input Costs
- development of vegetable marketing and development plan
- coordination of Farm Land Security Board with Federal Farm Debt Review Board
- briefing and information on numerous agricultural policy and program issues.

V. Statistics Section

The statistics section collects, analyzes, interprets and disseminates agricultural statistics.

The section handles several hundred enquiries each year. These responses assist individuals dealing with legal, social, economic and production subjects.

Agriculture-Natural Resources Division of Statistics Canada and Saskatchewan Agriculture have a long-standing working relationship. Statistics Canada conducts more than 100 agricultural surveys in Saskatchewan each year including surveys of producer seeding intentions, seeding progress, crop production and yield estimates of principal grains, livestock inventories, farm commodity prices, expenditures and capital value. The section assists with the design of these surveys and the analysis, interpretation and distribution of the results.

The section has identified areas where statistical information is not readily available and has compiled required publications. Market information on farm commodities is published each week. The Cattle Marketing Report, which tracks movement and marketing of cattle, is sent out monthly and annually to more than 400 cattle producers and organizations.

The section continued the regular crop reporting service providing current information on Saskatchewan crop conditions for producers, agribusiness, foreign government agencies such as the United States Department of Agriculture, and Saskatchewan Agriculture staff. Saskatchewan farmers and agricultural representatives provided situation reports from April through the end of October.

The specialty crop information program includes a Specialty Crop Intention Survey in March and a Specialty Crop Report in November, detailing area and production.

The section prepares a one-page statistical fact sheet which highlights the province's agriculture industry. The section also prepares a comprehensive statistical handbook providing current and historical agricultural data. The handbook underwent a comprehensive review and redesign in the spring of 1987.

The section also administers the Saskatchewan Feed Grain and Forage Listing Service. The Listing Service provides a means for sellers to publicize the feed grain and forage available for sale and for buyers to find out where feed supplies are available.

In 1985 the department through the Statistics Section, contracted the University of Saskatchewan to undertake the Saskatchewan Farm Input Price Survey. The survey provides per unit prices for up to 30 farm inputs in 25 Saskatchewan communities and four communities outside of the province. By publishing the range of prices among locations, the survey demonstrates the value of comparison shopping to lower the cost of production.

VI. Livestock Tax Credit Section

The Livestock Tax Credit section is responsible for the implementation and administration of the Livestock Investment Tax Credit and Livestock Facilities Tax Credit programs. As well, this section provides tax information support to regional staff, other branches and other professionals. Updates of tax changes are done and tax policy is dealt with.

The Livestock Investment Tax Credit program was introduced on March 22, 1984 and since that time $16.5 million in tax credits have been issued to approximately 16,000 producers and investors. This section processes these applications and also conducts its own audits.

Effective January 1, 1986 the Livestock Facilities Tax Credit program was introduced. This program pays a 15 per cent tax credit on the construction of new livestock facilities. To date, $2.1 million dollars has been paid out to 950 producers. Over $13 million in new livestock facilities accounted for the tax credit in 1986.

This section also provides information to producers and non-farm investors who are interested in investing in the livestock sector. This includes budgets on cost of production, break-even analysis, and information on other government programs which can be used to support their plan. An active role is taken in promoting the programs.

From information gathered from the tax credit programs, statistical data is generated. This information identifies the distribution of tax credits, methods of marketing and concentration of investment.

VII. Planning Section

The planning section was established in the spring of 1985. Activities included:

- providing an economic overview of activity in the agricultural sector and rural Saskatchewan generally

- analyzing the implications of these activities and advising on appropriate actions that could be taken by Saskatchewan Agriculture

- working with senior officials and other branches of the department to develop long range plans and policy recommendations for the development of the industry and of rural Saskatchewan.

During the 1986-87 year, the section worked on a number of issues:

- preliminary and background work leading to the signing of the National Agriculture Strategy

- development of proposals for discussion by the federal/provincial Farm Income Support Committee

- an extensive study on various aspects of developing an agricultural diversification strategy for Saskatchewan

- briefing and informational material on agricultural policy and program issues.

VIII. Saskatchewan Matching Grants-in-Aid Program

The branch assumed responsibility for the Saskatchewan Matching Grants-in-Aid Program. The program, which is administered through the Saskatchewan Council for International Co-operation (SCIC), provides matching grant assistance for development projects in developing countries around the world. The 1986-87 budget was $1,000,000.

Extension Service

The Extension Service provides an educational, information and development service to farmers enabling them to take advantage of their opportunities.

The branch delivers programs from 43 district agricultural representative offices organized into three regions, each supervised by a regional director. This system is supplemented on a regional basis by 30 specialists in soils and crops, farm management, livestock, farmstead improvement, and water and sewage systems, and also by a Regina-based agricultural engineering section.

Activities of the branch fall into five functional or key result areas.

I. Program Development and Leadership

This function involves the identification and development of new program initiatives to address the needs of a sound commercial agricultural industry in Saskatchewan.

Staff of the branch work with local agricultural committees, district boards, regional councils, and other department groups and outside agencies to plan programs which address government priorities and local needs. These groups also assist in dissemination of information, publicizing government programs and evaluation of programs and policies.

Significant initiatives during the year included provision of information and programs related to improved farm business management and marketing skills, diversification of production systems, reduction of input costs and improved electronic communication and computer systems.

In close association with the newly formed Saskatchewan Agricultural Societies and Exhibition Association (SASEA), the "Farming to Win" program was introduced. Funded through ERDA, this goal-oriented farm management program involved over 500 farm businesses throughout the province. Groups consisting mainly of farmer and spouse "management teams" developed, over a series of workshops, specific family and business goals and a farm plan to assist in the accomplishment of these goals. Progress is being monitored during the remainder of the year utilizing resources both from the department and the private sector. A second-year program is under development.

The Agriculture Development Fund has been actively promoted and initiatives put in place to develop innovative and useful projects. Projects relate to crop diversification and production practices, and include deep ripping of soils, feed testing, backgrounding of calves, feedlot projects, soil and water conservation practices, and high intensity-low frequency grazing systems for beef production.

A number of producer groups have been formed to pursue the objective of "maximizing economic yield" for grains and oilseeds. Interest in improving grazing and forage management systems for beef cattle has resulted in the formation of a number of forage associations, and contact with a number of interested groups has stimulated the formation of new feeder associations.

The feedlot project at Baldwinton has created a great deal of interest. Large numbers of producers from a wide area have participated in a series of seminars and field days to learn more about feeding cattle. Initiatives are being pursued related to the feasibility of establishing larger feedlots which provide an alternative market for coarse grains and feeder calves.

A project designed to create in students a better understanding of agriculture was coordinated by the branch and resulted in the publication of the "Issues in Agriculture" resource material for incorporation into selected high school courses.

Long standing efforts to foster improved construction and design of farm buildings resulted in the organization of two chapters of the Canadian Farm Builders Association.

II. Service and Technical Support to the Industry and to the Department

A number of computer programs or spreadsheets were developed, by staff or under contract, to assist staff and producers analyze and solve problems. These included programs to: analyze the feasibility of ethanol production in plants associated with feedlots; analyze and design ventilation systems; control from a remote location (e.g. the farm office) temperature and ventilation of complex livestock systems; formulate livestock rations and cropping plans; assist feedlot purchase and sale decisions; provide computer-assisted design and drafting capability; and improve financial analysis and planning capability.

The agricultural engineering section designed an effective cattle-handling system for community pastures administered by the Lands Branch and built a black fly sprayer for the Livestock Branch. Specialist support was also provided for a major seminar under the "Farm Enerdemo" project and for the production of materials to monitor fuel input for on-farm use. A demonstration to monitor the performance of concrete, reinforced with polypropylene fibres, was initiated at four sites. It is expected that this technique will result in longer life and reduction in labor costs for agricultural applications. The ADF-funded Compressed Natural Gas (CNG) Demonstration Program made excellent progress. The Saskatchewan Research Council provides project management. Problems in compressor selection and design have

been overcome as have most operational problems for tractor conversions to CNG. Monitoring techniques will provide data on CNG use on the farm which will enable economic analysis. Close liaison with industry is being maintained in other developments relating to grain-drying equipment, and seed-cleaning and hay-processing systems.

Field staff provided technical support to farmers over a wide range of crop and livestock production systems and in the area of farm business management and marketing opportunities. Farmer consultations related to problem diagnosis and recommended actions occurred both on farms and in the office.

Support for other agencies included identification of farmers for the University of Saskatchewan's "Top Management Program"; organizing tree distribution for PFRA; assisting PFRA to organize soil conservation groups; completing surveys for industry and the federal Department of Agriculture; locating research sites for the University of Saskatchewan and Agriculture Canada; assisting community colleges to determine course content and providing technical information and support to a variety of organizations including the Pork Producers Marketing Board, Western Canada Barley Growers Association and many others.

Efforts were also expended to work with and assist various farm women's groups, 4-H, agricultural societies fair boards, school career days and various classes in agriculture at high schools and community colleges.

In northern Saskatchewan support was provided to the Potato Lake research project and to the further development of the wild rice industry. Agriculture Development Fund projects were developed for aquaculture, blueberry production and market gardens.

To help the Irrigation Branch determine the status of irrigation projects, several hundred present and potential irrigation farmers were contacted. Additionally, a program involving 16 sites in northeastern Saskatchewan has been developed, under ADF funding, to identify problem algae and other potable water problems in farm dugouts and to determine and demonstrate appropriate treatment methods.

The operation of the annual MEXabition was successfully turned over to the Canadian Western Agribition and Saskatoon Prairieland Exhibition, and the Farm ContrEX show was successfully replaced by the much larger IndEX show which is operated by 40 member organizations. Staff of the branch continue to serve on these and a number of other committees including the Crop Production Show, Farm Progress Show and the Zero Till Seminar.

III. Program Delivery

While resourcing the 58 groups established under the "Farming to Win" program, providing leadership and support to ADF demonstration projects and to production and marketing clubs represented a major effort for staff. A number of other ongoing programs and projects were delivered to the farm and rural community.

A series of educational events relating to diversification of production systems to deal with the difficult economic situation addressed increased interest in alternative crops, forages, livestock systems, production economics and financial management. These events included seminars, workshops, field days and tours, a large number of which were organized in cooperation with industry.

Extension staff played a major role in organizing the provincial beef and swine seminars and animal health seminars for the Western College of Veterinary Medicine. In order to encourage farm women to become more involved in the farm management team, staff organized regional farm women's conferences and a number of farm women's safety seminars.

In general, there were fewer widespread production problems during the growing season. Crop disease, chemical damage, frost and drought concerns, while serious to those affected, were problems of a fairly localized nature.

Bulletins, newsletters and factsheets for farmers continued to be published while contacts with the press and other media increased during the year. These proved to be a cost-effective way of providing information to producers on a wide range of topics and concerns. Technical support was also provided to a large number of industry events and to the rural public through the annual series of ratepayers meetings.

IV. Administration of Legislation, Grants and Special Programs

Under "The Pollution (By Livestock) Control Act", 136 applications were received, and 62 permits were issued to construct livestock facilities. While a number of complaints were investigated, no Minister's Orders were issued. Through education and administration of the Act, farmers are encouraged to locate and operate livestock facilities to minimize nuisance and complaints due to odor, flies or pollution.

The branch continued to play a major role in organizing, with rural municipalities and district boards, the Fieldworker Grant program. This program has resulted in local activities which have reduced rat and weed infestations and dealt with other problems. The agricultural component of the Special ARDA

program continued to assist people of native ancestry to develop viable farm operations through a combination of grant assistance and individual consulting. Branch staff were closely involved with the Saskatchewan Indian Agriculture Program (SIAP), targeted at status Indians at both the management and program delivery levels. In order to assist people in the north to work towards a degree of self-sufficiency in horticultural crops and small livestock operations, assistance was provided to five communities under the Small Scale Food Program.

Major efforts were expended to develop the demonstration program under ADF funding. Over $400,000 worth of projects were approved with an increase both in the scale of projects and in the numbers related to livestock production. Cooperation and contributions from agribusiness improved significantly from previous years.

V. Internal Administration

A new branch director was appointed in June.

A major review of branch programs and budget was undertaken with special attention directed to a more systematic approach to the development and monitoring of programs and activities. Staff were involved at all levels in special task forces and committees considering departmental programs and special initiatives.

The major staff development initiatives for the year were special training prior to the introduction of the "Farming to Win" program and a conference on marketing designed to help staff become more proficient in the area of program development and promotion.

Farm Land Security Board

The Farm Land Security Board administers the Farm Land Security Act. The purpose of the Act is to afford protection to farmers against loss of their farmland.

The Farm Land Security Act came into effect January 1, 1985. The board is presently made up of seven members. They employ a general manager, two full-time and one part-time secretary. Since the federal Farm Debt Review Act was proclaimed August 5, 1986, the two boards have been co-operating to avoid duplication of hearings and reduce costs. The boards use the same financial fieldstaff and also the same committee members from all areas of the province who assist in the mediation process.

The Farm Land Security Act requires that a creditor give 120 days notice of intention to foreclose on farmland. The board then investigates the financial affairs of the farmer. Mediation is attempted by a three-person committee. If mediation fails, a court report is prepared for the Court of Queen's Bench. The report gives the board's view on whether the farmer has a reasonable possibility of meeting his mortgage obligations and comments on the effort made by the farmer to meet his obligations. During the last fiscal year, April 1, 1986 to March 31, 1987, the board received 423 notices. Of the 311 cases completed, they were successful in keeping 176 on the farm by mediating 154 cases and preparing favorable court reports for 22 farmers. Eighty-one court reports favored the creditor, 28 farmers did not want any assistance from the board, and 26 court reports were neutral as the issue was a legal matter, and not one of viability or repayment efforts.

The mediation process has improved relations between creditors and their clients. More than 50 per cent of the cases completed have been mediated. Because of falling grain and land prices, some land is being voluntarily transferred to the creditors. However, in most cases, land is being leased back to the farmer, and in some cases, he is also being given the first right of refusal for purchase.

Farm Purchase Program

The Farm Purchase Program was implemented December 17, 1982 to assist beginning farmers and those with small and medium-sized farms to buy land. The program provides financial assistance to offset high interest costs and ensures stable interest rates for the first ten years of a farm land purchase. For the first five years of a loan, the Farm Purchase Program pays interest rebates equal to the difference between amortized loan payments at available interest rates and payments at eight per cent. For the next five years, rebates equal the difference between payments at available interest rates and payments at 12 per cent.

1. Program Delivery

Program eligibility is established by the lender at the time the loan is applied for. Lending decisions and ongoing loan administration are the responsibility of the lender. The Farm Purchase Program Branch administers the program with a staff of seven. Administration costs in 1986-87 amounted to $413,243.

2. Program Progress

During the fiscal year, 1,417 loans were enrolled in the program. Since the program started December 17, 1982, a total of 6,388 individuals have enrolled 7,013 loans. During the 1986-87 fiscal year $105,108,000 in eligible loans were enrolled bringing the total value of loans enrolled to $664,377,000 by year end. In 1986-87, $18,204,217 in interest rebates were paid, bringing the total to $53,503,699 since the program began.

Feeder Associations Loan Guarantee Program

The Feeder Associations Loan Guarantee Act was passed in July, 1984, which would provide government guarantees to financial institutions who provide loans to members of organized feeder associations for the purchase of feeder cattle and calves.

The program was introduced and is promoted through a variety of communication methods including public information meetings. From April 1st, 1986 to March 31st, 1987 there were 37 information meetings held in the province.

As of March 31st, 1987 there are 22 associations which have received their funding and guarantees from the government of Saskatchewan. These associations have a total membership of 626 Saskatchewan residents and have a total guarantee of $3,237,500 on $12,950,000 of authorized loans.

As well as the 22 associations which have received their guarantees there are also 21 other groups in various stages of development.

Human Resources Branch

The Human Resources Branch provides the department with staffing, classification, staff relations, training and development, and payroll services. It also provides policy direction and guidance for administration and management of personnel to both the department and its associated agencies.

The payroll administration function for the departments of Urban Affairs, Rural Development, Environment and Saskatchewan Assessment Authority continues to be delivered by this branch.

I. Administration

The department adopted the new computerized personnel/payroll system and worked closely with the Public Service Commission and Department of Finance to ensure efficiency and effective implementation of the system.

II. Staffing

During the fiscal year 1986-87, the staffing unit co-ordinated 45 competitions for permanent positions, comprising 29 professional, 5 technical and 11 clerical positions. In addition, the staffing unit assisted management in recruiting casual, temporary and labour service employees to meet program needs. In all, there were 393 staffing actions performed by the branch in 1986-87.

III. Classification

Thirty-six requests for classification actions in the permanent classified service were reviewed by the branch, and recommendations were made and forwarded to the Public Service Commission for final action. The branch continued its practice of auditing the classification levels of positions in the labour service when employees are recalled. The branch also updated approximately 20 per cent of the departments position files.

The mandate of the Agrologist Committee was continued and changes in appointments were made to the committee.

IV. Staff Relations

The branch co-ordinated the department's management proposals for inclusion in the Collective Agreement and worked closely with the Public Service Commission to ensure our proposals were addressed during the contract negotiation. In addition the branch dealt with a number of grievances and continued to provide assistance to the human resources community in government by serving on arbitration board and joint council hearings.

V. Training and Development

Training and development of employees is an ongoing priority in the department.

1. Each year the Public Service Commission offers courses in special skills. In 1986-87, 277 department employees participated in these courses.

2. Employees in the department were provided training courses in the operation of word processing and computers. In 1986-87, 55 department employees participated in these courses.

3. Publication of the series "Personal Development Notes" was continued. These are short monthly articles on various aspects of staff development. Approximately 475 copies of each article were distributed to staff in the department.

VI. Payroll

The switchover to the computerized human resources personnel/payroll system was completed in September. This new system generates pay for employees, provides them with a detailed statement of earnings and a year to date record of deductions. It also aids the departments in calculating pay and generating records. The branch spent considerable time preparing for the implementation of the computerized system and co-ordinating activities such as payroll codes and benefits data.

Irrigation Branch

Co-ordination of the provincial irrigation development program was the major branch activity of the year. The process included co-ordinating preliminary hydrology, agronomic and economic feasibility studies, soil and water certification, and engineering design services. Many disciplines and agencies were involved. The branch provided or arranged for the on-farm services. Saskatchewan Agriculture provides a development grant of $100 per acre for each intensively irrigated acre and $33 per acre for each non-intensively irrigated acre. The grant is payable over three years. The co-ordination of federal and provincial agencies is aided by the computer-based irrigation information system.

I. Services to Individual Farmers

The service to potential irrigators was again expanded to accompany the new irrigation development program. This branch provided information for potential irrigators to assess the feasibility of their projects. The branch also undertook 550 soil-water investigations to determine suitability and compatibility for irrigation. The branch assisted in providing a preliminary hydrology report on each project. The computerized system provided comprehensive records of each irrigation development project. The system can give immediate responses to inquiries on the current standing of any project.

In the fiscal year April 1, 1986 to March 31, 1987, 529 new applications were processed, representing potential development of 42,000 acres. While some projects were cancelled or placed on hold by farmers, 215 projects or 9,129 acres received grants under the Irrigation Assistance Program. The total amount of grants paid in the fiscal year was $695,686.

The branch contracted services with irrigators under the "Program For Improved Irrigation Management." In 1986, 458 summaries were prepared for 41 farmers throughout the province who irrigated some 3,484 acres as special demonstration sites.

The purpose is to provide irrigation farmers with a working knowledge of irrigation scheduling techniques for the purpose of improving crop yields and maximizing irrigation efficiency. The branch was committed to installing soil moisture measurement equipment and to inspecting each site on a bi-monthly basis throughout the summer months. As a result of each call, a written summary of observations and recommendations was provided to the farmer. The irrigating farmer agreed to provide production records as requested, to permit access to the field for educational purposes, and to accept responsibility for any damage to branch equipment installed on his or her land. The farmer agreed to obtain some basic equipment such as a soil probe and rain gauge.

II. Group and Public Services

The "Irrigation Newsletter" was the main publication of the branch. Circulation increased at a rate of 500 subscribers per issue. By the fourth edition 5,000 copies were distributed. A special edition of 8,000 copies was presented for the opening of the Saskatchewan Irrigation Development Centre.

The "Irrigation Manual", a binder of branch approved publications, and the "Irrigation Manual Supplement", continue to be purchased by irrigation advisors and the public. The manual has a current enrollment of 383 users. New branch publications appeared in the handifact format.

A film and video production series on applied soil and water topics continues to be a priority. The target audience is farm clients and agricultural advisors.

Growth in the branch's province-wide function complements the acceleration in irrigation activity. Educational events were offered in cooperation with Extension Service of Saskatchewan Agriculture, Saskatchewan Water Corporation and the Prairie Farm Rehabilitation Administration. The objective was to both upgrade the technical expertise of farm clients and provide professional training. Other educational support was offered at the high school, technical institute and university level.

III. Research and Development

Formation of the Saskatchewan Irrigation Development Centre was completed in 1986. Saskatchewan Agriculture and Agriculture Canada jointly identified this need and established a co-operative structure to fund irrigation research, testing and demonstrations. This extensive six months of preparation made the operation of the centre a reality in 1986.

The Minister's Advisory Council on Irrigation, comprising six appointed farmer members, completed its second full year of service. The council aids government policy development for irrigators. Recommendations have focused on energy costs and rate structures, land use issues, irrigation development processes, crop insurance coverage, and many other needs of farmers who irrigate.

The branch performed a lead role in many water studies related to agriculture, irrigation development and quality of our soil-water resource. Branch staff presented papers and represented Saskatchewan Agriculture at the provincial advisory level as well as nationally and internationally. A pilot project to format current and past irrigation research as annotated bibliographies was completed.

Since April 1, 1984, the branch has assumed responsibility for the 1967 water supply contract between the Saskatchewan Water Corporation and Saskatchewan Agriculture. The branch, under this contract, paid the Saskatchewan Water Corporation an operation and maintenance charge for irrigation water supplied from the Saskatoon South East Water Supply (S.S.E.W.S.) system.

The charges paid in 1986 were a capital cost demand charge of $239,865 and operating cost charge of $206,400 for a total charge of $446,265. Under this agreement water is supplied by the branch to 52 irrigators for their 16,816 acres of irrigated land. This service will be available directly from the Saskatchewan Water Corporation when the irrigation agreements expire on December 31, 1988.

Lands Branch

The mission of Saskatchewan Agriculture's Lands Branch is to enhance the economy of the province and to serve the public interest through responsible agricultural provincial land management and the promotion of proper land use. The Lands Branch administers provincial (Crown) land designated for agricultural production. As of March 31, 1987 the branch administered 8,951,401.633 acres of land.

While most of the land the branch administers is suitable for agricultural production, some has potential for non-agricultural uses and some has severe problems that limit its productivity. The branch's programs therefore are designed to support the agricultural industry or to support projects that benefit the public or enable other important resources to be used.

Administration of provincial land is complex. Not only is the amount of land administered large, about 13 per cent of the farmland in the province, but also the number of transactions is large. The branch has more than 17,500 clients and every day some leases are changing hands or land is changing to private ownership. Handling and processing the tremendous volume of documents involves numerous steps and procedures, a high degree of precision, excellent records and specialized expertise. It also requires modern information technology to retrieve and store information quickly and efficiently. Program delivery depends on up-to-date policies, local access to staff with the authority to make decisions, and informed staff, clients and public.

1. Policies and Procedures

Lands Branch policies are designed to encourage viable, economic farms and ranches, to provide a stable supply of grazing land, or to allow provincial agricultural land to be used for non-agricultural purposes. They are designed to treat individuals who wish to access provincial land in a fair and consistent manner and, at the same time, protect the land against degradation and ensure the public receives a fair return from its property.

A major policy initiative which took place in 1986-87 was the revision and implementation of the Lease Utilization and Payment Policy. Effective December 1, 1986, lessees who were in arrears from December 1, 1985 or earlier were required to pay up to that date. Through this process, the Lands Branch dealt with 802 accounts; 545 of which came into good standing by paying over $2.9 million in arrears. Negotiations continued at year's end with the balance.

A change to the Co-operative Grazing Policy was made effective February 1, 1987. Previously individuals or families were only allowed to hold membership in one co-op at a time. Effective February 1 this was amended to allow for grazing in any number of co-ops as individual and spouse, provided the total did not exceed 50 head.

2. Programs

(a) Sales Programs

Tender sales of unallocated lands involving 31,685 acres resulted in sales of $4.7 million. Sales to lessees amounted to cash sales of $2.3 million (16,906 acres) and sales under time-sale agreement of $3.66 million (28,200 acres). A total of 375 sales on 76,791 acres was completed in the 1986-87 fiscal year.

Sales to lessees were at fair market value. Terms were cash or time-sale agreement. Time-sales were for a 15-year term with a 15 per cent down payment required. Interest charged was 10 per cent for the first 10 years with the Farm Credit Corporation rate in the tenth year applied for the last five years. Lands sold by tender were on a cash basis and limited to farmers controlling land assessed at less than $30,000 (old assessment).

(b) Leasing Land for Agricultural Use

On March 31, 1987, 3,841 cultivation leases covering 1,297,860 acres were in effect. There were also 7,230 grazing leases on 5,686,205 acres including 473,774 acres leased to P.F.R.A. for their pasture purposes. The Provincial Community Pasture Program used an additional 757,300 acres in 54 cattle and two sheep pastures. There were 1,011 hay leases in effect on 154,707 acres.

The remaining land was held under sale agreement, miscellaneous leases (such as sand and gravel quarrying) or was unallocated. There were 316,048 acres of unallocated Crown land. Land remains unallocated because of low demand, low productivity, inaccessibility, poor drainage, severe topography, stoniness or excessive development costs.

(c) Community Pasture Program

Lands Branch operated 54 cattle pastures which carried 74,634 head of adult cattle plus 45,204 calves from 2,542 patrons. Some 30,519 cows were placed in department-operated breeding fields and an estimated 15,000 cows were bred in patron fields. The department also operated two provincial community sheep pastures located at Mortlach and Tompkins. Forty-five patrons pastured 4,317 ewes and 1,613 lambs. Approximately 26,000 acres were under rejuvenation, costing an estimated $490,000. This rejuvenation was contracted to farmers and private contractors. In addition, $435,443 was spent in 1986-87 on capital construction and land development for provincial pastures.

(d) Land Improvement Program

In 1986-87, $57,808 was expended on land development on grazing and cultivation leases. Clearing was completed on 973 acres and 1,688 acres were broken. The development of 6,150 acres under the crop retention option was also authorized.

Lessees improved leased land through clearing and/or breaking where authorized by Lands Branch. Factors limiting development included wildlife habitat, soil type, topography, recreational value and importance for other uses. In most cases, the lessee paid the development costs and will recover those costs by retaining crops.

Assistance is dependent on funds available. Applicants who began improvement projects in previous years received priority.

(e) Abandoned Rail Line Program

Lands Branch activity in the Rail Line Abandonment Program continued in 1986-87. Under this program, the branch is responsible for finalizing disposition of abandoned rail rights-of-way after transfer of administration from the federal government or the railway companies to the province. To date, 33 of the expected 43 abandoned rail subdivisions have been transferred to the province, Minister's Advisory Committees have been established in 32 of the 33 subdivisions, and recommendations on dispositions of the land have been submitted by 29 of the committees. These 33 subdivisions include 9,900 acres in 630 miles of railbed; of these, 5,878 acres have been transferred to private ownership.

(f) Pasture and Grazing Technology Program

The new Pasture and Grazing Technology Project is operated by Lands Branch of Saskatchewan Agriculture under the ERDA sub-agreement on agriculture. Funding has been made available in the amount of 1.6 million dollars to be spent over the next three years in support of the demonstration, research and extension of new and innovative range and grassland ideas in the province.

A six-person management committee, which includes four producers, guides the project. Committee members are: Jim Hampson of Cut Knife, Chairman; Lynn Grant of Val Marie; Alan Anderson of Paradise Hill; Angus McDougald of Maple Creek; and two members of the Lands Branch.

The goal of the project is to draw attention to grassland management in the province and to successfully transfer new ideas to farmers and ranchers. With more than twenty million acres of grassland, and two million cattle, cost-efficient grazing through the application of new methods will greatly improve the bottom line of producers across the province.

Recent droughts have also highlighted the importance of grassland management in the province. As well, inadequate grain prices have increased interest in shifting low-producing cereal lands into grass production. Under these environmental and market conditions any technique contributing to better grass stands will greatly benefit the province's agriculture-based economy.

3. Program Delivery

(a) Field Operations

The delivery of Crown land policies and programs is carried out by the Field Operations section of Lands Branch. Thirty professional agrologists located throughout the province provide information and services to the farming public.

Policies and programs have been developed so that farmers and lessees can obtain information from the field office. Farmers can determine if their leases are eligible for sale, if their leases can be approved for assignment, and what Crown lands will be eligible for tender sale in the district.

(b) Automation Crown Land Management System

As part of the long term commitment to improved client service and efficient program delivery, development of the crown land management system was completed during fiscal 1986-87. System testing by branch staff was finished and several major subsystems moved into production.

The development team from Management Systems Limited completed system programming and provided additional on-site training to branch staff. The consulting firm of Thorne-Stevenson-Kellogg continued in the capacity as technical consultant to the project. Staff within the branch continued to resource the project management.

A major milestone was the on-line conversion of manual files present in the branch. This information is now easily accessible to staff and clients needing up-to-the-minute information on the status of Crown land within the province.

There has now been a change in how the branch completes business transactions with its clients: faster replies, more timely account reconciliation, greater access to reservations and overall enhanced delivery of branch programs has resulted. In the longer term, improved planning and better land resource management will characterize programs delivered by the Lands Branch of Saskatchewan Agriculture.

(c) The branch continues to publish a newsletter, **Lands Branch Newsletter**, that is used as a vehicle to share information about the branch with clients and others interested in land administration.

Lands Branch News, a newsletter that shares information about staff additions, changes, retirements and accomplishments, provide news about branch programs, policies and direction and includes articles relevant to jobs and working conditions.

For historical and planning purposes, the branch published its own annual report as well as a less detailed summary of branch activities for the department's annual report.

4. Revenues

Land administered by Lands Branch produced a revenue of approximately $37 million in 1986-87. Major sources of revenue were land sales at $10 million, lease rentals at $22 million and community pasture operations at $5 million.

Livestock Branch

The Livestock Branch encourages an efficient livestock industry through program and policy development and by administering regulations to enhance the contribution of animal agriculture to the provincial economy.

In 1986-87 the branch was re-organized to provide producers with direct contact to commodity specific programs. Extension and production services are provided through three commodity units: beef, swine and dairy. Regulatory and development services are provided by the regulatory and legislative co-ordinator, brand inspection and livestock development programs.

I. Extension and Production Services Section

1. Swine Programs

The Swine Unit of the Livestock Branch was significantly involved in the initiatives directed to expand pork production in Saskatchewan. The unit provided leadership to an interbranch departmental task force which conducted a survey of existing pork producers and farmers at large. This survey provided interesting insights into the structure of and problems within the industry. As a result of the analysis of the survey several initiatives to assist the growth of the industry were undertaken or planned for the future.

The need for a reliable supply of trained farm labour and a training program for new owner/operators was recognized. Livestock Branch staff working with Wascana Institute and the Saskatchewan Pork Producers Marketing Board have begun development of a farm technician and manager training program. This program will be offered to students early in 1988.

The annual Swine Symposium was planned to address and discuss industry concerns such as market potential for Saskatchewan pork. The Swine Design trade show and Artifical Insemination program were also held as major information transfer programs. The ERDA "Swine Technology Transfer Program" was initiated by hiring project staff and starting producer study groups throughout the province.

The entire Swine Unit staff were consolidated in one location when the Saskatchewan Pork Producers Marketing Board moved to new offices in July 1986. The location of staff with the board has enabled excellent exchange with the board staff and producer directors and provided a single location for producers to contact for information.

The Record of Performance and Swine Ultrasonics program tested 4,854 pigs which again was a reduction from previous years. The technician staff was reorganized to reflect this reduced demand and now consists of one full time technician and program supervisor assisted by part-time staff as required. The technician staff continued to collect samples from pigs slaughtered at Intercontinental Packers as a means of assessing the health status of animals from participating farms.

2. Beef Cattle Programs

The Beef Unit continued to focus on cow herd management and feedlot development as key areas to the Saskatchewan beef industry.

The Beef Reproductive Efficiency Database project (BRED) funded under ERDA is a province wide survey of conception rates, calving distribution and calf death loss. Over three years, it will provide baseline data against which producers and policy makers can measure their productivity and program impact. Both veterinarians and cattle producers are involved in the survey.

The Beef Unit was responsible for extension and field delivery of the federal-provincial ROP Beef Program. The program provides computerized performance and management information on over 12,000 calves in over 270 herds.

In 1986-87, a record 1,096 yearling bulls completed rate-of-gain testing in five test centres. This was 10 per cent more than last year and 260 per cent more than in 1982-83.

The Beef Unit staff worked with the Saskatchewan Veterinary Medical Association on an ERDA-funded project to increase the number of calves preconditioned or "green tagged" under the Saskatchewan Certified Preconditioned Feeder Program. Over 4,500 head of calves were "green tagged" in 1986 with 1,761 of those calves being sold through "certified preconditioning sales." Data was collected to demonstrate the advantages of preconditioning.

The Saskatchewan feedlot industry expanded by 30,000 head pen space in 1986 in new, expanded or reopened commercial lots. Firm slaughter prices and cheap feed grain combined to set record prices for feeder cattle. Beef Unit staff have worked closely with groups such as Beef Industry Development (BID) to develop large commercial producer-owned feedlots. Two lots are in the development stages with the BID group, while several smaller barley co-op groups have formed around the province.

Beef Unit staff provided an extension program to improve the ability to select finished animals using ultrasonics and to provide an explanation of the grading system and general feedlot appraisal.

Together with the Saskatchewan Livestock Association, the Beef Unit sponsored "What's In Stock For You?," which is the provincial beef

seminar. The Beef Unit, Saskatchewan Cattle Feeders Association and the University of Saskatchewan sponsored the Cattle Feeders Shortcourse.

The Beef Unit provided speakers for extension meetings on beef production and management, including several organized by Saskatchewan Stock Growers Association, and participated in the Commercial Cattle Show at Agribition.

3. Dairy Programs

Dairy extension, some regulatory services, the dairy laboratory and milk recording services amalgamated during 1986-87 into a single dairy commodity unit to provide more effective service to the dairy industry.

Dairy extension and milk quality advice were provided to the province's 700 dairy producers by two regional dairy specialists and a milk quality technician.

Dairy extension personnel monitor milk quality reports and provide assistance and guidance in identifying and correcting milk quality and production problems.

The Provincial Dairy Laboratory received approximately 250,000 milk samples in 1986-87. Over 750,000 tests were performed by the lab during the year.

The results of 45,000 milk sample tests were used by the regulatory and extension sections of the Dairy Unit, Livestock Branch, to insure the quality of raw milk.

Approximately 45,000 samples were analyzed for milk fat content and used to prepare the 24 milk fat settlement reports from which dairy producers payments and milk processors charges are calculated by the Saskatchewan Milk Control Board.

Over 2,000 quality and composition test results were provided to the industry for the analysis of dairy products and research samples.

Approximately 150,000 samples were analyzed for fat, protein and somatic cells for use by provincial and federal milk recording programs.

In 1986-87, the Dairy Herd Analysis Service (DHAS) provided service to 78 supervised test herds and 184 owner-sampler herds. Optional herd management data on reproduction, nutrition and somatic cell counts are provided to these herds in addition to production records. Amalgamation of federal and provincial milk recording program field delivery service continued. Negotiations are in progress to transfer the field service component of the milk recording programs to a private corporation of member-users.

II. Livestock Protection and Diversification Section

1. Brand Inspection Program

The Brand Inspection Program provides inspection services and documentation of livestock movement. Brand inspectors confirm ownership before livestock are marketed, aid in the recovery of missing livestock and investigate livestock related infractions of provincial statutes. In 1986-87 over one million animals were inspected and documented and approximately 250 animals reported missing were recovered. Brand inspectors also ensure collection of brand inspection fees, cattle marketing deductions and penalties for marketing horned cattle.

In 1986 the brand inspectors performed approximately 5,500 audits to ensure producers complied with government livestock program policies (Saskatchewan Beef Stabilization Board, Agricultural Credit Corporation of Saskatchewan and the Feeder Associations Loan Guarantee Program).

III. Livestock Development & Diversification

The Livestock Development and Diversification Unit was established in 1986. The unit concentrates on policy/program planning for new livestock initiatives that offer opportunity for diversification of our livestock and agricultural economy.

1. Game Ranching

Activity related to game ranching centered around assessment of opportunities, current constraints to development and required regulatory changes that would encourage further development and growth of game ranching in Saskatchewan. At present there are 25 game ranches and about 1,000 head of captive elk in the province.

2. Goat Dairy Industry

In 1986-87 a study of market potential and feasibility of establishing a goat dairy processing industry in Saskatchewan showed that potential exists for establishing economically viable cottage-scale goat dairy processing plants in the Regina and Saskatoon market areas.

3. Sheep Industry Development

The objectives of sheep industry development activity are to characterize the Saskatchewan market for lamb and mutton, nuture stronger leadership within the industry and encourage the industry to capitalize on new market opportunities. To this end several meetings with various industry groups were held to develop plans for future action.

During 1986-87, 46 rams completed tests at the Saskatchewan R.O.P. Ram Test Station at Saskatoon. There were 40 flocks on the Home Test Program, with over 3,000 lambs entered and weighed.

4. Electronic Identification

Field trials of electronic identification (EID) equipment for livestock were continued from their initiation in 1985. The projects are being conducted in both pasture and feedlot situations to examine the durability and potential of EID under practical Saskatchewan conditions. Various media releases were prepared throughout the year to increase producer awareness of EID.

5. Black Flies

The 1987 Black Fly Control Program used a locally based contractor to monitor black fly larvae development and to treat affected rivers with larvicide. The program was effective in controlling black flies to the extent that only a number of moderate outbreaks were reported.

6. Animal Welfare

The objective of this activity is to track developments in the animal welfare area and recommend codes of practice and industry standards that are acceptable from an animal health standpoint and at the same time maintain or improve efficiency or production.

7. Miscellaneous Livestock Opportunities

The Development and Diversification Unit is currently assessing opportunities for developing viable enterprises in rabbits, game birds, fur farming, and acquaculture.

IV. Administrative Support Section

1. Livestock Manifest Data Processing

Support staff process information provided on livestock manifests and permits describing livestock offered for sale, slaughter or transported out of the province. In 1986-87, 136,435 manifests for 1,077,607 marketed animals were processed. Livestock movements were monitored through the processing of 48,294 permits. The system confirms brands, provides data for missing animals, produces invoices for collection of inspection fees and statutory deductions and provides management and statistical reports on cattle marketing.

2. Brand Registrations and Licencing

Livestock producers may only use animal identification brands registered with the Livestock Branch. A registered brand which costs $10 is renewed every five years. The number of brands registered under the Animal Identification Act as of March 31, 1987 was 32,369. In 1986-87, 633 new brands were issued and 271 were transferred. Of the 5,700 brands that expired in 1986, 5,286 were renewed.

During the 1986-87 fiscal year, 526 licences were issued to individuals, firms and agencies engaged in the production, sale, processing or distribution of livestock or livestock products.

Soils and Crops Branch

The branch is responsible for programs regarding promotion, development, production and protection of field, forage, horticulture, honey and wild rice crops; soil conservation; and the use, handling and distribution of pesticides.

Agricultural specialists work with producers, personnel of other branches, Agriculture Canada, universities, industry and other related agencies to provide programs to enhance crop production, crop protection and soil conservation in Saskatchewan. Branch specialists also develop and administer programs to further the safe and effective use of pesticides.

I. Crop Production Services

1. Cereals

The cereal specialist is responsible for interpreting and disseminating research results and providing consultation and advisory services to extension staff and producers regarding cereal crops. The following programs were carried out by the cereal specialist, and numerous requests for information were handled.

a) Publications and Extension

The annual publication "Varieties of Grain Crops for Saskatchewan" was revised and published. A total of 34,000 were distributed to the extension staff in early January, and 70,000 were distributed to farmers as an insert to the February issue of Farm Light and Power.

A pedigreed Seed Growers' Directory was prepared in cooperation with the Saskatchewan Seed Growers Association. About 75,000 copies were distributed as an insert to the February issue of Farm Light and Power and to extension staff.

Three barley production meetings were held in cooperation with the Western Barley Growers' Association, extension staff and several commercial organizations involved in the barley industry.

b) Stock Seed Distribution Committee

The cereal specialist participates on the provincial Stock Seed Committee. This committee approved 57 applications for probation and 27 applications for breeder seed in early 1987.

c) Administrative Assistance

Assistance was provided to the Saskatchewan Seed Growers' Association and to the Canadian Seed Growers Association.

d) Applications for research and demonstration funds were reviewed and the results of these studies were evaluated.

2. Oilseed Crops

The oilseed specialist is responsible for provision of specialist support for canola, flax, sunflower and mustard crops.

The oilseed specialist provides agricultural extension staff and producers with up-to-date technical information on production of oilseed crops. This is accomplished by: planning and holding crop update meetings, tours and field days in conjunction with agricultural representatives and regional specialists; participating in agricultural extension meetings for farmers; and preparing news releases and extension material for general distribution.

In 1986-87, the oilseed specialist provided the following specific services to producer organizations involved in the production and promotion of oilseeds in Saskatchewan.

a) Saskatchewan Canola Growers' Association

The specialist attended the association's board of directors meetings, helped to plan, and participated in tours, demonstrations and extension meetings.

b) Canola Council of Canada - Crop Production Committee

The specialist, as a member of the Crop Production Committee, helped to manage the Grow With Canola Program. He also participated in review of proposals for agronomic research and development of a list of priorities for future agronomic research.

c) Western Flax Growers' Association

The oilseed specialist worked with the directors of the Western Flax Growers' Association to plan extension meetings and coordinate the publication of a new flax bulletin for western Canada.

The oilseed specialist was appointed to the research and technical committee of the newly formed Flax Council of Canada. The committee will set research priorities as well as award proposals for research.

d) Saskatchewan Sunflower Committee

The oilseed specialist acts as secretary for the Saskatchewan Sunflower Committee. The Committee administers variety trials and recommends varieties for licensing.

e) Canadian Mustard Association

The oilseed specialist is working in conjunction with the Canadian Mustard Association to produce a mustard production manual.

f) SeCan

The oilseed specialist represented the Saskatchewan Department of Agriculture on the board of directors of

SeCan. This organization obtains and distributes new varieties of cereals, oilseeds and forages.

The oilseed opecialist maintained contact with agencies interested in the production and marketing of oilseed crops. Many contacts were also made with the farming public through telephone calls and letters.

3. Forage and Range Management

The forage and range management specialist provides technical consultancy in these areas to the Extension Service, other government departments, agribusiness and producer organizations. In addition, the following programs were carried out by the forage and range management specialist:

a) assisted in the launching of the ERDA Grasslands Project, a major initiative involving extension and research into range management and time-controlled grazing systems

b) administered the new Forage Association Policy. Under this policy, two existing forage associations and one new one were given financial assistance to support their activities. Total assistance in the fiscal year was $15,000

c) in collaboration with the leafcutter bee specialist, co-authored the bulletin "Alfalfa Seed and Leafcutter Bee Production" (3,000 copies)

d) continued input in Agribition Grain Show Committee and assisted with Hay and Silage Show at Agribition

e) pursued duties as secretary to Forage Advisory Committee of C.A.S.C.C.

f) coordinated distribution of foundation seed from the Canadian Forage Seed Project, and provided information to producers on the pending changes to the project. Following amounts of project seed were sold in Saskatchewan:

Alfalfas	6990 Kg
Grasses	1020 Kg
Other Legumes	1000 Kg
GRAND TOTAL	9010 Kg

4. Special Crops

The special crops agronomist provides technical information regarding the production of specialty crops such as field pea, canaryseed, lentil, and safflower. In 1986, the mandate for oilseed sunflower and mustard production was transferred to the oilseed specialist. The following programs were carried out by the special crops agronomist in cooperation with other agencies:

a) Publications

Revisions were completed on the "Know Your Lentils", "Saskatchewan Specialty Crop Contractors", and "Specialty Crop Accredited Seed Labs for Western Canada" pamphlets, and "Saskatchewan Special Crops Market Synopsis" fact sheets (5,000 copies each). These publications were distributed by Extension Service and agribusiness.

b) Films

Filming and script editing of a 12-minute lentil harvesting film was continued. "Lentil Harvesting" is to be released to Extension Service for viewing at 1987-88 farm meetings.

c) Insecticide Residue

Two insects caused damage to specialty crops in 1986; grasshopper in lentil, and wheat-cherry-oat aphid in canaryseed. Field trials were set up to study insecticide residues in lentil and canaryseed. Data from these trials will be used to support a request for insecticide registration under the Minor Use Program of the federal Pest Control Products Act.

d) Growth Stage Charts

At the request of Saskatchewan Agriculture and Saskatchewan Wheat Pool crop reporters, a series of growth stage charts for specialty crops was designed. Various researchers and literature were consulted to provide scientific growth stages for canaryseed, fababean, flax, lentil, field pea, safflower and sunflower.

e) Crop Market Prospects and Extension Meetings

The special crops agronomist addressed several farm meetings organized by Extension Service. Topics of interest in 1986 were: new crops and how to grow them, market information and how/where to sell a specialty crop.

The special crops agronomist participated in a satellite conference, "Crop Market Prospects", sponsored by Saskatchewan Agriculture and the University of Saskatchewan.

f) Western Canada Pulse Growers Association and the Saskatchewan Pulse Crop Development Board

In 1986, secretary-treasurer duties for the Saskatchewan Pulse Growers Association were transferred to the Saskatchewan Pulse Crop Development Board. The specialty crops agronomist continues to serve as an advisor-director to both grower groups.

g) Special Programs

In 1986, administration of the Special Crop Demonstration Policy was transferred to the provincial Agriculture Development Fund. ADF projects demonstrating safflower, field pea, lentil, lupin and field pea/canola intercropping were reviewed by the special crops agronomist.

5. Soils

The provincial soils specialist is responsible for providing technical information about soil conservation, soil fertility, problem soils, soil moisture management and land use, to individuals and agencies both inside and outside the Department of Agriculture. The following programs were carried out by the soils specialist in cooperation with other agencies.

a) Publications — The general fertilization recommendations bulletin was revised and a new micronutrient bulletin was published. The two salinity bulletins were amalgamated and revised into a new salinity bulletin. Over 50,000 soils bulletins on various topics were distributed through government and industry channels.

b) Extension meetings — The soils specialist participated in a number of farm meetings organized by the Extension Service. Soil conservation and making the most from fertilizer investment were the topics most frequently addressed.

c) National Agricultural Policy — During 1986, the provincial soils specialist represented Saskatchewan in discussions which led to a National Agricultural Strategy for soil and water conservation and development. The overall strategy was announced in November, 1986.

d) Special programs — Under the provincial Agriculture Development Fund, a number of projects for research development and demonstration projects on soil management were reviewed by the provincial soils specialist. In December 1986, a major soil conservation extension program entitled "Save Our Soils" was approved for the Soils and Crops Branch.

Numerous inquiries from farmers, extension personnel and public and private agencies were also answered.

II. Crop Protection Services

1. Weed Control

The weed control specialist is responsible for providing technical information regarding weed control in Saskatchewan to the Extension Service, farmers, agribusiness and other related industries.

(a) The Weed Control Policy, which provides one-third cost-sharing of approved persistent perennial weed control projects, was continued. Grants were provided to 101 Saskatchewan rural municipalities under this program.

(b) The weed control specialist coordinated revision of the "Chemical Weed Control in Cereal, Oilseed, Pulse and Forage Crops" publication. Thirty-five thousand copies of this publication were distributed through Extension Service and agribusiness.

(c) More than 300 weed samples were received by the Crop Protection Laboratory for identification purposes.

2. Pest Control

(a) Insect Control

Surveys to monitor the abundance of grasshoppers, wheat midge, cutworms, Bertha armyworm and diamondback moth were carried out during the period from June until early September. The data from these surveys allowed for the timely and orderly use of pesticides to control these insects.

Analysis of the survey data indicated that: (1) grasshopper populations would decline slightly in 1987, (2) wheat midge populations were high in the area from Kelvington to Yorkton and much reduced from Prince Albert to Hudson Bay, (3) pale western cutworm populations have remained fairly stable at a non-economic level, (4) Bertha armyworm populations remain low in most areas.

(b) Vertebrate Control

The vertebrate pest specialist provides technical information for the control of vertebrate animals which cause damage to field crops, livestock and property, or which are a nuisance or public health hazard. The Norway rat remained the most destructive vertebrate pest in the province in 1986. Seasonal or localized problems occurred with other field rodents, particularly ground squirrels and pocket gophers. Several bird species, small carnivores and even some reptiles were also a problem.

As coordinator of the provincial Rat Eradication Committee, the vertebrate specialist was responsible for providing direction and technical assistance to regional, district and municipal rat eradication programs, and approximately 250 Pest Control Officers. In addition to several bulletins, publications and audio-visual aids, the specialist also published the Pest Control Newsletter (circulation 1,200) and organized the annual Pest Control Training Seminar for approximately 120 officers.

Skunk rabies became a major problem in 1986 and is expected to continue through 1987. The specialist co-ordinated municipal skunk control programs, provided fact sheets and technical information on skunk control and rabies prevention, and issued permits to municipalities for poison control programs. The most frequent subject addressed at extension meetings was the coordination and reorganization of district and municipal rat control programs.

(c) Pesticide Safety

The department encourages the safe use of pesticides through the Pest Control Products (Saskatchewan) Act and Regulations, and by distributing information about pesticide use and handling to the public, extension and resource personnel.

The Pesticide Officer issued permits to over 800 commercial pesticide applicators in 1986. Under the Act, thirteen different classes of permits are available and specific training is required from a recognized educational institution before a permit will be issued. The department worked closely with Wascana Institute of Applied Arts and Sciences in the preparation of pesticide safety training courses for all permit classes.

The department continued to work with the Canadian Association of Pesticide Control Officials (CAPCO) by contributing information about disposal procedures and participating in education, training and licensing sub-committees.

3. Plant Disease

The plant disease specialist is responsible for providing a consultative and advisory service regarding plant diseases and their control.

Nine hundred and thirty-eight samples were received in the Crop Protection Laboratory for disease diagnosis. The points of origin provided information about disease development throughout the province.

Specialized technical support was provided through the Crop Protection Laboratory to the Dutch Elm Disease survey carried out by Saskatchewan Parks and Renewable Resources. No new case of the disease was detected in 1986.

A canola disease survey was carried out in cooperation with extension service. Over 250 fields were surveyed for the diseases blackleg, Sclerotinia and rootrot.

The annual publication on Chemical Seed Treatments was revised.

III. Horticultural Services

The horticulture specialists are responsible for providing technical and extension information to commercial producers of fruits, vegetables, mushrooms, ornamentals, nursery turf and greenhouse crops. They also provide recommendations and services to horticulture societies and the public at large on gardening, landscaping and yard maintenance.

Fruit and vegetable production increased substantially in 1986-87 and indications are that the trend will continue. A vegetable planting intentions survey was conducted for the first time in 1987 showing an expected increase of 23 per cent. Potatoes and carrots were the major crops that increased. Fruit production, especially strawberries, raspberries and Saskatoons in U-Pic operations, increased considerably. Nursery and greenhouse production also increased.

Production loan programs were developed for potato producers as well as greenhouse producers in 1986. In addition, a capital loan program was introduced for greenhouse producers. All loan and credit programs were funded through the Agricultural Credit Corporation of Saskatchewan.

The farmstead landscaping planning service offered to farmers was discontinued in 1986-87. In the future, such services will be provided by the landscape and nursery trades. Informational short courses were provided by the Soils and Crops Branch.

The horticulture specialists continued supervision of the ornamental and fruit demonstration projects at Indian Head to evaluate recent introductions and demonstrate pruning techniques. In addition a number of orchard demonstration projects funded by the Agriculture Development Fund are being supervised. The fruit and vegetable demonstration project at Potato Lake was also continued.

The Prairie Regional Potato Breeding and Selection Trials were continued. The support for the Elite Seed potato farm at Portage La Prairie, Manitoba was continued in order to provide nuclear seed potato stocks for Saskatchewan seed potato producers. A major Horticulture Development Program at the University of Saskatchewan under the Economic and Regional Development Agreement was also continued.

IV. Apiary Section

Total honey production in 1986 was approximately 17.4 million pounds produced from 120,000 colonies operated in the province. During the winter of 1986-87, approximately 70 per cent of the colonies were kept over the winter.

In the spring of 1986, package bee imports from the United States declined to approximately 20,000 from 35,000 in the previous year. Inspection of packages was performed upon arrival with approximately 280 samples analyzed and found to be free of the acarine mite.

Initial results of the acarine mite project which was initiated by the Saskatchewan Beekeepers' Association were presented at an International Acarine Mite Symposium held in July, 1986 in Minneapolis. Initial results indicated heavy infestations of the tracheal mite and a severe impact to package bee production. A second import permit was issued by Agriculture Canada to continue the project during 1987. Additional funding was received by the Beekeepers' Association from the Canada-Saskatchewan Economic and Regional Development Agreement.

ERDA funding was also made available for research into winter wrap materials for wintering colonies outdoors and for research into the feasibility of wintering small colonies (nuclei) indoors. Both of these projects were conducted as on-farm demonstration projects involving approximately 30 beekeepers across Saskatchewan.

The industry suffered a significant decline in honey prices as a result of changes to the U.S. farm policy.

A second major concern was the discovery of low levels of sulfa residues in some honey from various locations across Canada and consequent difficulties in shipping honey to Quebec.

V. Leafcutter Bees and Alfalfa Seed

The leafcutter bee increase averaged about 1.4 times in 1986 due to cool weather during July, the main pollination period. Alfalfa seed crops were generally poor. Interest in leafcutter bee and alfalfa seed production was very high during 1986, and a short supply and good demand for leafcutter bee cocoons resulted in a price increase from one half cent to over one cent per cocoon. Alfalfa seed prices also increased. About 17,500 acres of alfalfa were inspected for certification in 1986. A shipment of 20 million cocoons was certified for export to the USSR in 1986.

The Saskatchewan Alfalfa Seed Producers' Association (SASPA) began a chalkbrood and foliar mold research project, funded by the Canada-Saskatchewan Economic and Regional Development Agreement. In addition, they received funding from the Agriculture Development Fund to conduct research into weed control in alfalfa seed fields. The third and final year of a federal New Crop Development Fund/SASPA project entitled "Alfalfa Seed Field Insect Survey" was completed.

VI. Wild Rice

The total production of wild rice for crop year 1986 was 761,120 pounds. This is the second highest production the province has attained. Regional distribution of production has not significantly changed. The central region is still the major producing area, accounting for 57 per cent of the crop. The eastern region produced 25 per cent and the remaining 17 per cent of production came from the western region.

A total of 173 rice growers reported production in 1986. Most of the producers were from the Western Region (70) which indicates the very high potential and significance of the area.

Harvesting did not fully start until the first week of September, although some growers were harvesting in the last week of August. Harvesting weather was not ideal at the beginning of the season, but improved favorably towards the last week of September. A late August frost damaged the crop at shorelines and smaller bays.

The La Ronge based processing plant processed more than 500,000 pounds, with a processing recovery of just over 48 per cent. In 1986 a comprehensive $648,000, three year wild rice research program was approved under Saskatchewan Agriculture's Agriculture Development Fund. Dr. Bill Archibold, of the Department of Crop Science and Plant Ecology, University of Saskatchewan was appointed as Research Coordinator, and given the task of coordinating and carrying out research studies in the areas of production and machinery design.

In addition, the federal Department of Regional Industrial Expansion allocated $300,000 to the Saskatchewan Wild Rice Council for studies in the area of market research and processing. Part of the fund will also be used to assist two water control projects.

Research projects undertaken in 1986 included the following:

1. Raft Experiment

The objective of this study was to determine the performance of seeds from rice plants collected from different areas in the three regions grown under controlled and similar conditions.

2. Thinning

The objective of the study was to determine the effect of thinning at the floating leaf stage to crop growth and production. This study was a continuation of previous years' study and was conducted at the Mercer River Rice Farm.

3. Seed Selection

Early maturing seeds were collected and will be used in controlled areas to determine whether the early maturing character is hereditary.

4. Straw Removal Study

Plots have been established at the Mercer River Wild Rice Farm to determine the effect of straw removal on the growth and production of succeeding crops. Straw decomposition is also being studied.

5. Production Evaluation

This project has been underway for several years. The production survey is carried out in 20 pilot areas across northern Saskatchewan. Analysis of the results are in progress.

6. Water Control Study

The water control project of John Fonos at Sled Lake is underway. A 150-acre lot has been cleared and an earth dam completed. The plan is to flood the area in 1987 and undertake seeding in the fall of 1987. This project is the first of its kind in Saskatchewan.

7. Seed Quality

The study on the effect of harvest time on seed quality was carried out to find ways to improve seeding efficiency. This was an initial study and will hopefully be continued this coming harvest season.

8. Reel Harvester

The reel harvester developed by the Agricultural Engineering Department of the University of Saskatchewan and funded by the Department of Agriculture was extensively evaluated in 1986. The design has been developed and tested in the last three years. It was concluded that the unit as it exists, and the reel principle, do not seem to be the answer to more efficient harvesting of lake wild rice.

9. Wild Rice Processing Study

POS in Saskatoon (Protein, Oil and Starch) was awarded a research contract to study the La Ronge wild rice processing plant operation. This year's study was originally focused on the determination of moisture content for improved processing and higher percentage of recovery. Part of the original contract was also to look at flaking quality of processed rice. Towards the middle of the processing season the research contract was amended to include an immediate study on curing. A report of these studies will be submitted to the Saskatchewan Wild Rice Council.

10. Advertising and Promotion

Under the research program managed by the council, a contract was awarded to Smail Communications in Saskatoon to develop a wild rice promotion and advertising package. This is part of the marketing research program of the council.

11. Seed Program

A Seed Grant Program was carried out in the spring of 1986 and was funded under the DRIE-NEDSA program. This program made available 42,000 pounds of seeds to 242 permit holders. The main objectives of the program were to assist growers to develop a commercial wild rice area and to facilitate test seeding of newly permitted lakes. The test seeding program was again carried out this spring. It involved 5,000 pounds of seed distributed to 48 permit holders and 2 growers organizations.

12. Advance Payment Program

In 1986, the Saskatchewan wild rice industry participated in the federal Advanced Payment for Crops Program. Application for the program was made by the Saskatchewan Wild Rice Council on behalf of its member organizations. The council was subsequently granted approval for a maximum amount of $1.5 million and utilized $400,000 of the fund through its two-member organizations at an advanced payment rate of $1.06/lb. of green rice.

Marketing was entirely the responsibility of member organizations and to some extent of individual growers. Some rice, particularly in the Eastern Region, was sold green to Manitoba and Ontario buyers. Most of the rice produced this year was processed before being sold.

13. Wild Rice Harvester Grant

A wild rice harvester program was developed to assist growers with sufficient rice stands to acquire harvesters. The program had two components:
(a) a grant program
(b) a construction training program

Saskatchewan Agriculture and DRIE (Special ARDA) provided grants equivalent to 50 per cent of the cost of harvester units for a projected total of 30 units. Only 19 units were availed in 1986 and 14 were funded directly by Saskatchewan Agriculture under the Special ARDA Agreement, amounting to $52,250.

The construction training program will also provide 30 units to qualified rice growers and is funded jointly by Saskatchewan Advanced Education and Manpower, Northern Division and DRIE. Two training sessions have so far been completed in La Ronge and Ile A La Crosse involving 11 individuals and the same number of finished harvesters.

14. Wild Rice Allocation

A new Wild Rice Allocation Policy became effective November 1, 1986. This policy requires permit holder and/or licensed applicants to specify the size of the area of water bodies, and will provide a much improved estimate of the potential of the wild rice industry in the province. Previously applicants only indicated the number of lakes or bays regardless of size. This information was not very useful in the overall context of development planning. As of March 31, 1987, 323 individuals have renewed their permits for a total of 48,384 acres.

15. Saskatchewan Wild Rice Council

The successful formation of the Saskatchewan Wild Rice Council in 1986 was a major breakthrough in the provincial wild rice development program. Its formation and operation has effectively resolved the problem of servicing the needs of numerous competing wild rice organizations. NEDSA continues to provide operating funds for the second year and has made a commitment for funding assistance on the third year. Funding from NEDSA is reduced each year in expectation that the council will become self-financing.

A Minister's Advisory Committee on Wild Rice Research was officially formed, and members were appointed by the minister. As structured, the seven-member committee is composed of four representatives from the Saskatchewan Wild Rice Council; one from the Department of Parks, Recreation and Culture; one from the federal Department of Regional Industrial Expansion; and one from Saskatchewan Agriculture, who was appointed chairman. The wild rice specialist serves as secretary to the committee.

The wild rice specialist participated in the Wild Rice Council as ex-officio director and was the conference

chairman for the 2nd Annual Wild Rice Conference held in La Ronge March 4 - 6, 1987. Approximately 200 Saskatchewan growers attended the conference. Representatives from Alberta, Manitoba and Ontario also attended.

16. Other Items

The wild rice specialist attended and/or participated in a number of conferences including the International Wild Rice Association Annual Convention in Grand Rapids, Minnesota, the Western Canada Horticulture Conference in Regina and the Northern Agriculture Conference in La Ronge.

VII. Potato Lake Horticulture Research Project

This is the third year of research in the areas of cultivar testing of fruit and vegetables, soil improvement and fertility trials, micro environment modification trials and the use of a greenhouse for season extension. The aim is to develop recommendations for varieties of fruits, vegetables and cultural practices for successful production in northern Saskatchewan.

Veterinary Branch

The Veterinary Branch develops programs to diagnose, control and reduce disease in animals and to ensure a wholesome supply of meat and meat products.

The branch employs a director, three veterinary pathologists, seven technicians and two secretaries along with part-time secretarial and technical help. The Veterinary Diagnostic Laboratory performs diagnostic pathology in all species of animals to aid veterinarians and producers in Saskatchewan in their efforts to reduce animal disease losses. Blood analysis is also supplied to better diagnose disease in live animals and to provide herd profiles for advising producers of health and nutritional status.

Bacterial culture of milk samples and sensitivity tests on the organisms help dairy producers with mastitis programs. The need for improved livestock management and diversification into livestock industries is required and will increase the need for veterinary laboratory services as it is the key to diagnosis and resulting therapy and prevention programs.

Companion animal submissions are an essential service to the pet and horse owners. Revenues are received for this service.

The revenue collected by the Veterinary Branch for laboratory services last year was $46,915.

I. Grants Administered By Veterinary Branch

1. Veterinary Service District Travel Grant

Through The Veterinary Service Act, the Province of Saskatchewan paid for grants of $321,709 to veterinary service districts who matched this amount with local funding. The payment is distributed to veterinarians to compensate for set call fees instead of regular mileage charges to producers. There were 54 veterinary service districts receiving those benefits.

2. Veterinary Clinic Operating Grant

The veterinary clinic operating grants were paid to veterinary clinics which passed practise standard guidelines set by the Saskatchewan Veterinary Medical Association. A total of $130,800 was paid to 56 veterinary clinics which were involved in food-producing animal veterinary services.

3. Meat Inspection Program

The meat inspection program pays the Food Production and Inspection Branch of Agriculture Canada to inspect thirteen domestic abattoirs. The cost of inspection is $282,307. Revenue of 17 per cent of this cost is received from abattoir owners. The inspection allows sale of products in Saskatchewan, but only federal plants are able to transport meat and meat products interprovincially or internationally.

4. Swine Herd Health Policy

The Swine Herd Health Policy assists Saskatchewan pork producers to have animal health and management programs delivered to their farms by their own veterinary consultants. The policy provides financial assistance to pay the costs of veterinary visits to the participating farms. Veterinarians are paid a decreasing portion of the fees over a four-year program.

The enrolled producers were entered into a database which will provide better administration of the policy. As of March 31, 1987, there were 210 production units enrolled. New farms are accepted to the program as other farms reach the end of their support. The administration of this policy is carried out by the Swine Unit within the Livestock Branch. This co-operative approach allows close contact with the pork industry.

5. Western College of Veterinary Medicine

The Western College of Veterinary Medicine (W.C.V.M.) has a contract to provide diagnostic veterinary pathology services to veterinarians and producers. The service is similar to that provided by the Regina veterinary laboratory, except they have a greater number of submissions. In spite of 40 per cent of their work load being charged back to the teaching hospital, they have a greater number of submissions than Regina. W.C.V.M. also provides virology and some toxicology services for the Regina veterinary laboratory. A sum of $450,000 is paid to W.C.V.M. for pathology services.

6. Poultry Extension Program

The W.C.V.M. and College of Agriculture supply facilities for a poultry extension program. A veterinary pathologist and agrologist are hired with an $82,000 grant to administer the program. The egg, broiler and turkey producer marketing boards fund the operating costs. Expertise in management, nutrition and disease control is provided to the poultry industry.

7. Veterinary Fellowship Fund

A Veterinary Fellowship Fund of $16,900 in 1986-87 was allocated to W.C.V.M. to support one Master's degree candidate in veterinary medicine.

8. Saskatchewan Society for Prevention of Cruelty to Animals

The Saskatchewan Society for Prevention of Cruelty to Animals has been re-organized. The office in Saskatoon receives $50,190 to investigate animal abuse and welfare issues. An excellent job of consultation and advisement has resulted in improved conditions for livestock and pets. The organization works well with veterinarians and the R.C.M.P.

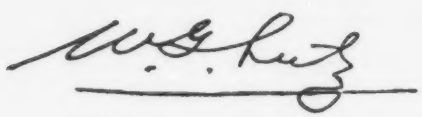
The Veterinary Branch is actively working with other branches to encourage increased productivity through better management by livestock producers in an effort to aid diversification of farms and enhancement of farm income.

Cattle Marketing Fund

To the Members of the Legislative Assembly
of Saskatchewan

I have examined the statement of receipts and payments of the Cattle Marketing Deductions Fund for the year ended March 31, 1987. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, the statement of receipts and payments presents fairly the cash position of the fund as at March 31, 1987 and its receipts and payments for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.



Regina, Saskatchewan
July 15, 1987.

W.G. Lutz, F.C.A.,
Provincial Auditor.

Cattle Marketing Deductions Fund

Statement of Receipts and Payments

Year Ended March 31, 1987
(with comparative figures at March 31, 1986)

	1987	1986
Receipts		
Collections under sections 3 and 4 of The Cattle Marketing Deductions Act and regulations	$523,799	$500,940
Less: Commissions on collections	20,676	19,678
	503,123	481,262
Bank and investment interest	38,732	36,337
Total receipts	541,855	517,599
Payments		
Grants (Schedule 1)	474,793	377,057
Advisory Committee expenses	2,375	1,999
Refund of deductions	8,754	12,418
Total Payments	485,922	391,474
Excess of receipts over payments	55,933	126,125
Total cash and investments, beginning of year	460,357	334,232
Total cash and investments, end of year	$516,290	$460,357

*(See accompanying notes to the financial statements)

Notes to Financial Statements

March 31, 1987

1. Accounting Policy

(a) These financial statements are prepared on a cash basis, whereby revenues are recorded as collected and expenditures are charged to the accounts as payments are made. Accordingly, the financial position of the fund at March 31, 1987, does not include accounts receivable of $85,750 (1986 - $89,768), accrued interest receivable of $3,135 (1986 - $807), commissions payable of $3,430 (1986 - $3,591), and accounts payable of $3,500 (1986 - $89).

(b) The fund has not been charged with occupancy costs or administrative salaries and no provision for such costs is reflected in these statements. These costs are borne by the Department of Agriculture.

2. Legislative Authority

(a) Pursuant to the provisions of The Cattle Marketing Voluntary Deductions Amendment Act, 1983 proclaimed into force August 29, 1983, the Cattle Marketing Voluntary Deductions Act Trust Fund was continued as the Cattle Marketing Deductions Fund and the assets and liabilities of the Cattle Marketing Voluntary Deductions Act Trust Fund were deemed to be the assets and liabilities of the fund.

(b) The fund is administered by an Advisory Committee established under the Act who authorize all expenditures from the fund subject to the approval of the Minister of Agriculture.

Cattle Marketing Deductions Fund

Schedule 1

Schedule of Grants

Year Ended March 31, 1987

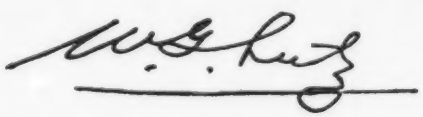
	1987	1986
Saskatchewan Stock Grower's Association in respect of the Saskatchewan Beef Information Centre	$6,200	$3,500
Canadian Cattlemen's Association in support of National Beef Information Centre	193,773	95,250
Canadian Cattlemen's Association in support of the National Advertising Campaign	133,260	117,500
Veterinary Infectious Disease Organization	50,000	50,000
Saskatchewan Artificial Breeders Association	24,625	56,207
Saskatchewan Cattle Feeders' Association	7,085	--
University of Saskatchewan — Animal & Poultry Science	50,000	54,250
Saskatchewan Agriculture Hall of Fame	350	350
Dr. Andrew Schmitz	9,500	--
	$474,793	$377,057

Farm Purchase Program Fund

To the Members of the Legislative Assembly of Saskatchewan

I have examined the statement of receipts and payments of the Farm Purchase Program Fund for the year ended March 31, 1987. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, the statement of receipts and payments presents fairly the cash position of the fund as at March 31, 1987 and its receipts and payments for the year then ended in accordance with the accounting principles disclosed in note 2 to the financial statements applied on a basis consistent with that of the preceding year.



Regina, Saskatchewan
July 24, 1987.

W.G. Lutz, F.C.A.,
Provincial Auditor.

Farm Purchase Program Fund

Statement of Receipts and Payments

Year Ended March 31, 1987

	1987	1986
Receipts		
Appropriation — Heritage Fund — Agricultural Division (Note 1)	$9,024,789	$8,270,999
Lease payments	9,696,888	10,385,030
Penalties	894,069	888,980
Interest on loans	585,306	631,878
Interest on investments	260,013	74,221
Total receipts	20,461,065	20,251,108
Payments		
Interest (Note 1)	20,159,663	20,181,331
Advertising	41,745	38,896
Total payments	20,201,408	20,220,227
Excess of receipts over payments	259,657	30,881
Cash, beginning of year	91,165	60,284
Cash, end of year	$350,822	$91,165

(See accompanying notes to the financial statement)

Farm Purchase Program Fund

Notes to Financial Statement

March 31, 1987

1. Legislative Authority

The Farm Purchase Program Fund was established April 1, 1983, pursuant to The Farm Purchase Program Act, which was assented to December 17, 1982.

(a) Receipts

Pursuant to Section 8(2) of this Act, the following receipts were placed to the credit of the fund:

(i) lease payments on land formerly held by the Saskatchewan Land Bank Commission;

(ii) penalties on arrears of lease payments;

(iii) interest payments on loans for improvements made pursuant to section 22 of The Land Bank Act;

(iv) penalties on arrears of interest payments;

(v) interest earned on deposits or investments;

(vi) sums appropriated by the Legislature for the purposes of the fund;

(vii) advances from the Consolidated Fund.

(b) Payments

Pursuant to Section 8(3) of this Act, payments were made out of the fund for interest costs on debt incurred by the former Saskatchewan Land Bank Commission. These payments were made to the Consolidated Fund.

2. Accounting Policies

(a) These financial statements are prepared using a modified cash basis for a fiscal year commencing on April 1, and ending March 31. Receipts are recorded as received and payments are charged to the accounts when payments are made. In addition, receipts received in the 30 days of April, in respect of revenues raised up to March 31 of the preceding fiscal year, and payments made during the 30 days of April which are for goods and services received in the preceding fiscal year are reported as receipts and payments of the preceding fiscal year. Accordingly, the financial position of the fund at March 31, 1987 does not include the following items:

(i) amount due from Department of Agriculture — Lands Branch — $88,558 (1986 - $162,625);

(ii) accrued interest costs — $6,834,817 (1986 - $6,834,817);

(b) The fund has not been charged with occupancy costs or administrative salaries and no provision for such costs is reflected in these statements. These costs are borne by the Department of Agriculture.

3. Advances

Pursuant to Section 8(4) of The Farm Purchase Program Act the fund receives advances from the Consolidated Fund as required for the purposes of the fund, subject to prescribed terms and conditions. Following is a summary of advances received and repayments:

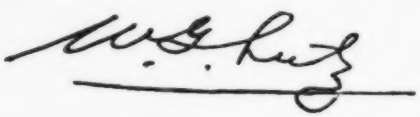
	1987	1986
Advances	$23,444,000	$18,985,000
Repayments	23,444,000	18,985,000
	$ –	$ –

Horned Cattle Fund

To the Members of the Legislative Assembly of Saskatchewan

I have examined the balance sheet of the Horned Cattle Fund as at March 31, 1987 and the statements of revenue, expenditure and operating surplus and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at March 31, 1987 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.



Regina, Saskatchewan
June 15, 1987.

W.G. Lutz, F.C.A.,
Provincial Auditor.

Horned Cattle Fund

Statement 1

Balance Sheet

March 31, 1987
(with comparative figures at March 31, 1986)

	1987	1986
Assets		
Current:		
Cash	$ 75,936	$ 37,447
Marketable securities, at cost which approximates market	198,923	138,558
Accrued interest receivable	38	1,392
Inventory of cattle (Note 3)	510,407	397,068
	$785,304	$574,465
Liabilities and Operating Surplus		
Current Liabilities:		
Accounts payable	$ 4,085	$ 755
Operating surplus - Statement 2	781,219	573,710
	$785,304	$574,465

(See accompanying notes to the financial statements)

Horned Cattle Fund

Statement 2

Statement of Revenue, Expenditure and Operating Surplus

Year Ended March 31, 1987
(with comparitive figures for the previous year)

	1987	1986
Revenue		
Collections under Section 3 and 4 of The Horned Cattle Purchases Act	$206,492	$196,965
Less: Commission on collections	20,630	19,624
	185,862	177,341
Revenue from Pathlow Beef Project (Note 3)	335,780	190,816
Miscellaneous revenue	2,400	3,918
Bank and investment interest	17,598	11,972
Total revenue	541,640	384,047
Expenditure		
Grants (Schedule 1)	102,997	174,482
Pathlow Beef Research Project — operating costs	227,375	199,264
Department of Agriculture — The Horned Cattle Purchases Act Advisory Committee — meeting expenses	3,759	3,205
Total expenditure	334,131	376,951
Excess of revenue over expenditure	207,509	7,096
Operating surplus, beginning of year	573,710	566,614
Operating surplus, end of year	$781,219	$573,710

(See accompanying notes to the financial statements)

Horned Cattle Fund

Statement 3

Statement of Changes in Financial Position

Year Ended March 31, 1987
(with comparative figures for the previous year)

	1987	1986
Cash provided by operating activities:		
Excess revenue over expenditure	$207,509	$ 7,096
Net change in non-cash working capital balances related to operations*	(108,655)	(1,594)
Total cash provided by operating activities	98,854	5,502
Cash position at beginning of year	176,005	170,503
Cash position at end of year	$274,859	$176,005
Cash position comprises cash and marketable securities		
* Accrued interest receivable	$ 1,354	$ (306)
Inventory	(113,339)	1,992
Accounts payable	3,330	(3,280)
	$(108,655)	$ (1,594)

(See accompanying notes to the financial statement)

Horned Cattle Fund

Notes to Financial Statements

March 31, 1987

1. Accounting Policy

(a) The financial statements of the Horned Cattle Fund are prepared on a modified accrual basis of accounting where revenue and expenditures are accounted for on an accrual basis, except as follows:

Collections and grant payments under The Horned Cattle Purchases Act are recognized in the accounts on a cash basis. Accordingly, accounts receivable of $33,418 (1986 - $32,595) and commissions payable of $3,342 (1986 - $3,260) are not included in this statement.

(b) The Fund has not been charged with any occupancy costs or administrative salaries and no provision for such costs is reflected in these statements. These costs are borne by the Department of Agriculture.

(c) Cattle inventory is valued at approximate realizable value at the fiscal year end (Note 3).

2. Legislative Authority

Pursuant to the provisions of The Horned Cattle Purchases Amendment Act, 1983 proclaimed into force October 1, 1983, the Horned Cattle Trust Fund was continued as the Horned Cattle Fund and the assets and liabilities of the Horned Cattle Trust Fund are deemed to be the assets and liabilities of the Fund.

The purpose of this Fund is to promote research and development in the livestock industry.

3. Inventory of Cattle

In view of the difficulty which exists in assigning on a rational basis the costs of production to animals at various stages of maturity and since the correlation between costs and revenue is not nearly as close as in most businesses, the inventory of cattle held in connection with the Pathlow Beef Research Project has been valued at approximate realizable value at the fiscal year end. The corresponding changes in inventory from one year to the next have been described as Appreciation (decline) in value of opening herd.

Revenue from Pathlow Beef Project

	1987	1986
Cattle sales and natural increase in herd	$222,441	$210,775
Appreciation (decline) in value of opening herd	113,339	(19,959)
Total revenue	$335,780	$190,816

Horned Cattle Fund

Schedule 1

Schedule of Grants

Year Ended March 31, 1987
(with comparative figures for the previous year)

	1987	1986
Western College of Veterinary Medicine	$ 5,000	$45,250
Canadian Western Agribition Association	35,000	35,000
Biosystems Consulting Ltd. (Black Fly Project)	1,000	24,000
Saskatchewan Holstein-Freisen Association	12,000	12,000
University of Saskatchewan (Department of Animal and Poultry Science)	31,500	15,370
Ag. Canada Melfort Research Station	(552)	552
Melfort Agricultural Society	17,560	17,560
Perdue Agricultural Society	--	2,750
Saskatchewan Hereford Association	--	2,000
Saskatchewan Artificial Breeders Co-operative	--	20,000
Alpine - Agro Ltd.	1,489	--
	$102,997	$174,482

(See accompanying notes to the financial statements)